TATA

BSE Limited
First Floor, New Trading Ring
Rotunda Building, P J Towers,
Dalal Street, Fort, Mumbai 400 001
Kind Attn: Mr Khushro A. Bulsara
General Manager & Head
Listing Compliance & Legal Regulatory

Listing Compliance Department
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Kind Attn: Mr Lokesh Bhandari
Senior Manager
Listing & Compliance

August 3, 2020
Sc no – 16072

Dear Sirs,

Re: Annual Report (Integrated) for the Financial Year 2019-20 and Notice convening the 75th Annual General Meeting

This is with further reference to our letters dated June 30, 2020 sc no. 16040 and July 22, 2020 sc no. 16059 and pursuant to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report (Integrated) of the Company for the Financial Year 2019-20 alongwith Notice convening the 75th Annual General Meeting of the Company scheduled to be held on August 25, 2020 at 2.00 p.m. (IST) via two way video conferring/ other audio visual means. The Annual Report (Integrated) for the FY19-20 is also available on the Company's website at www.tatamotors.com.

This is for the information of the exchange and the members.

Yours faithfully,
Tata Motors Limited

Hoshang Sethna

Hoshang K Sethna
Company Secretary

TATA MOTORS

75th Integrated Annual Report 2019-20

TATA

Navigating the storm

No matter how perfect the storm is and the magnitude of its impact, we, at Tata Motors are confident of emerging stronger on the other side. We will do this by keeping our costs low and ecosystem viable.

In FY20, challenges facing the automotive industry were aplenty, much before the outbreak of the coronavirus pandemic. A slowing domestic economy, muted demand across other geographies, regulatory transitions (emissions, safety and axle load), pricing pressures and geo-political conflicts put our resilience to test. However, anchored to our core purpose of providing innovative mobility solutions, we leveraged our strategic strengths to become more lean, agile and operationally fit amidst the intensifying storm.

We prioritised our capital expenditures towards immediately value-accretive projects, reduced working capital and curtailed overhead costs. Our new launches and strong pipeline reflect the choices we are making to consolidate our core capabilities by streamlining products, architectures and new-age technologies. We are exploring strategic alliances to ensure steady access to capital, deleverage our balance sheet and step up our play as a leading automobile manufacturer.

Performance snapshot FY20

₹2,61,068CR

REVENUE (CONSOLIDATED)

8.4%

EBITDA MARGIN (CONSOLIDATED)

(0.2%)

EBIT MARGIN (CONSOLIDATED)

₹(9,205)CR

FREE CASH FLOW (AUTOMOTIVE)

33.4%

REDUCTION IN ABSOLUTE (SCOPE 1 & SCOPE 2) GHG EMISSIONS (TML)

7,63,600

TOTAL COMMUNITY OUTREACH (TML)

21,11,015

TOTAL COMMUNITY OUTREACH (JLR)

About the report

The 75th Integrated Annual Report 2019-20 from the Tata Motors Group encapsulates our relentless commitment to our stakeholders. It captures our 'Turnaround' story that has kept the Group strong in the face of the adverse developments in the automobile industry.

SCOPE AND BOUNDARY

The Report covers the performance of the Group for the period starting from April 1, 2019 to March 31, 2020. The Report aims to provide our stakeholders with a holistic view of our value-creation model, strategy, governance and performance, while also outlining the outlook of the Group.

REPORTING STANDARDS/FRAMEWORKS

The Report follows the guiding principles of the International Integrated Reporting Council's Integrated Reporting <IR> Framework. The financial and statutory data presented in this Report is in line with 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

While we focus on the six capitals of <IR> – financial, manufactured, human, intellectual, natural and social & relationship – for understanding our dependencies and impacts on them, we look at our performance holistically through a sustainability lens (covering the Environment, Social and Governance aspects). We present our initiatives and performance on each of these aspects. The report has also been mapped with respect to the Global Reporting Initiative (GRI) Standards, Sustainable Development Goals (SDGs) and Principles of the United Nations Global Compact (UNGC); the same is available on www.tatamotors.com.

MATERIALITY

The Report includes information that is material to our stakeholders and our process of value creation. 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 disclosures of TML have been assured by TUV India Private Limited. The assurance has been given against the Report's adherence to the <IR> Framework of the IIRC and the GRI Standards. The assurance report issued by TUV India Private Limited is available on www.tatamotors.com.

Contents

EQUIPPED

Equipped with strong fundamentals, future-ready products, operational excellence, innovation and technological expertise – the Tata Motors Group is prepared to navigate the storm.

Company Profile

We are Tata Motors Group

Tata Motors Group is a leading global automobile manufacturer. Part of the illustrious multi-national conglomerate, the Tata group, we offer to the world a wide and diverse portfolio of cars, sports utility vehicles, trucks, buses and defence vehicles.

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

125+

CUSTOMER TOUCHPOINTS

8,400+

Tata Motors Limited

Tata Motors Limited (TML) is one of India's largest Original Equipment Manufacturers (OEMs) offering an extensive range of integrated, smart and e-mobility solutions.

TML's Commercial Vehicle (CV) offerings include sub-1 tonne to 55-tonne Gross Vehicle Weight (GVW) trucks and small, medium and large buses and coaches. TML's Passenger Vehicle (PV) offerings include the NEW FOREVER range that exemplifies the IMPACT 2.0 design language across cars and utility vehicles and is developed using pioneering technologies that are sustainable.

TML is also playing a leading role in proactively shaping the electric mobility landscape in the country.

TML has a JV with Fiat Group Automobiles to manufacture passenger cars, engines and transmissions for the domestic market, and a JV with Cummins Inc. USA for the design and manufacturing of diesel engines.

MISSION

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

VALUES

Integrity	Teamwork	Accountability
Customer Focus	Excellence	Speed

VISION

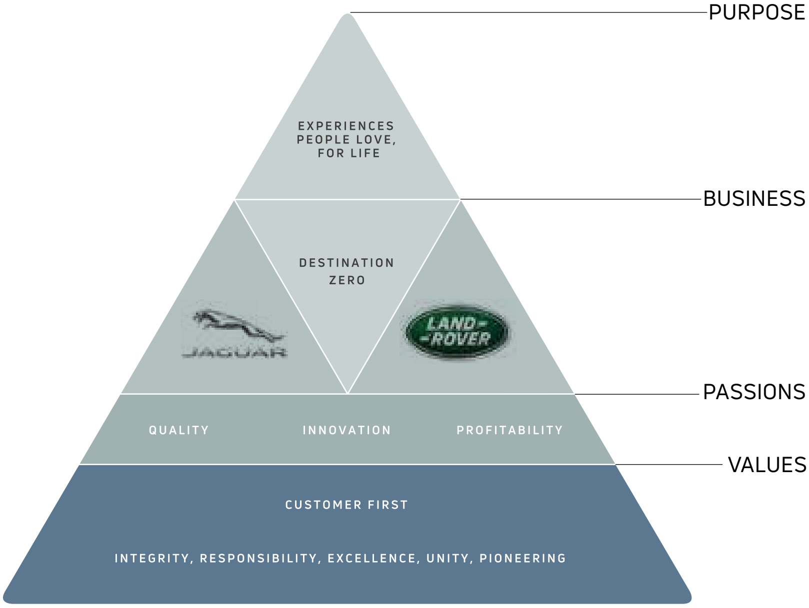
By FY 2024, we will become the most aspirational Indian auto brand, consistently winning, by

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

Jaguar Land Rover

Jaguar Land Rover (JLR) is a global automotive manufacturer and leading technology company, proudly built around two iconic British car brands: Jaguar and Land Rover. JLR is driven by a desire to deliver class-leading vehicles, providing experiences people love, for life.

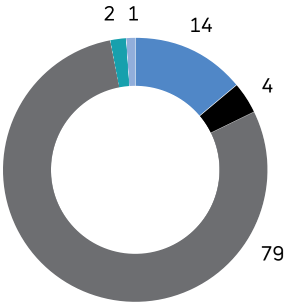
Part of the Tata Motors Group since 2008, JLR has a JV with Chery Automobile Company to manufacture certain models, including powertrains, in China. JLR has also strategically partnered with Waymo to develop the self-driving Jaguar I-PACE and is collaborating with the BMW Group to develop next-gen Electric Drive Units (EDUs).



DESTINATION ZERO

JLR's vision is a world of sustainable, smart mobility – Destination Zero – enhancing the quality of everyone's life with zero emissions, zero accidents and zero congestion through relentless innovation. Our ambition is to make our societies safer and healthier, and our environments cleaner through relentless innovation. Adapting our products and services to the rapidly-changing world around us.

Revenue mix FY20 (%)



- Tata and other brand vehicles - CV
- Tata and other brand vehicles - PV
- Jaguar Land Rover
- Vehicle financing
- Others

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[1]

Tata Motors Group also holds key subsidiaries, such as Tata Daewoo Commercial Vehicles and Tata Technologies Limited.

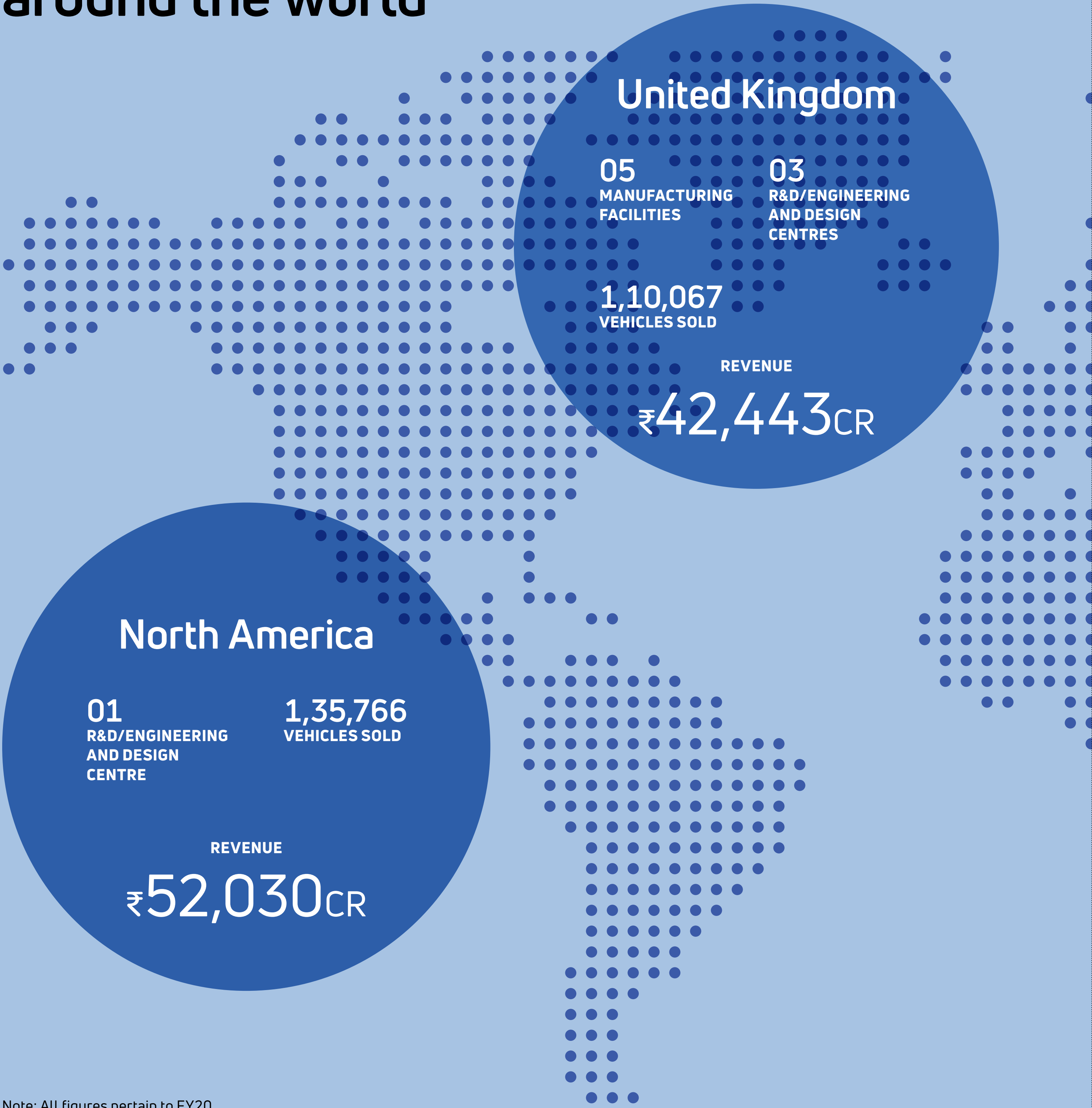
In 2004, the Tata Motors Group acquired Korea's second largest truck maker Daewoo Commercial Vehicles. Today, it exports its vehicles to 60+ countries.

Tata Technologies Limited is a leading company in engineering services outsourcing and product development IT services, providing a competitive edge to global manufacturers.

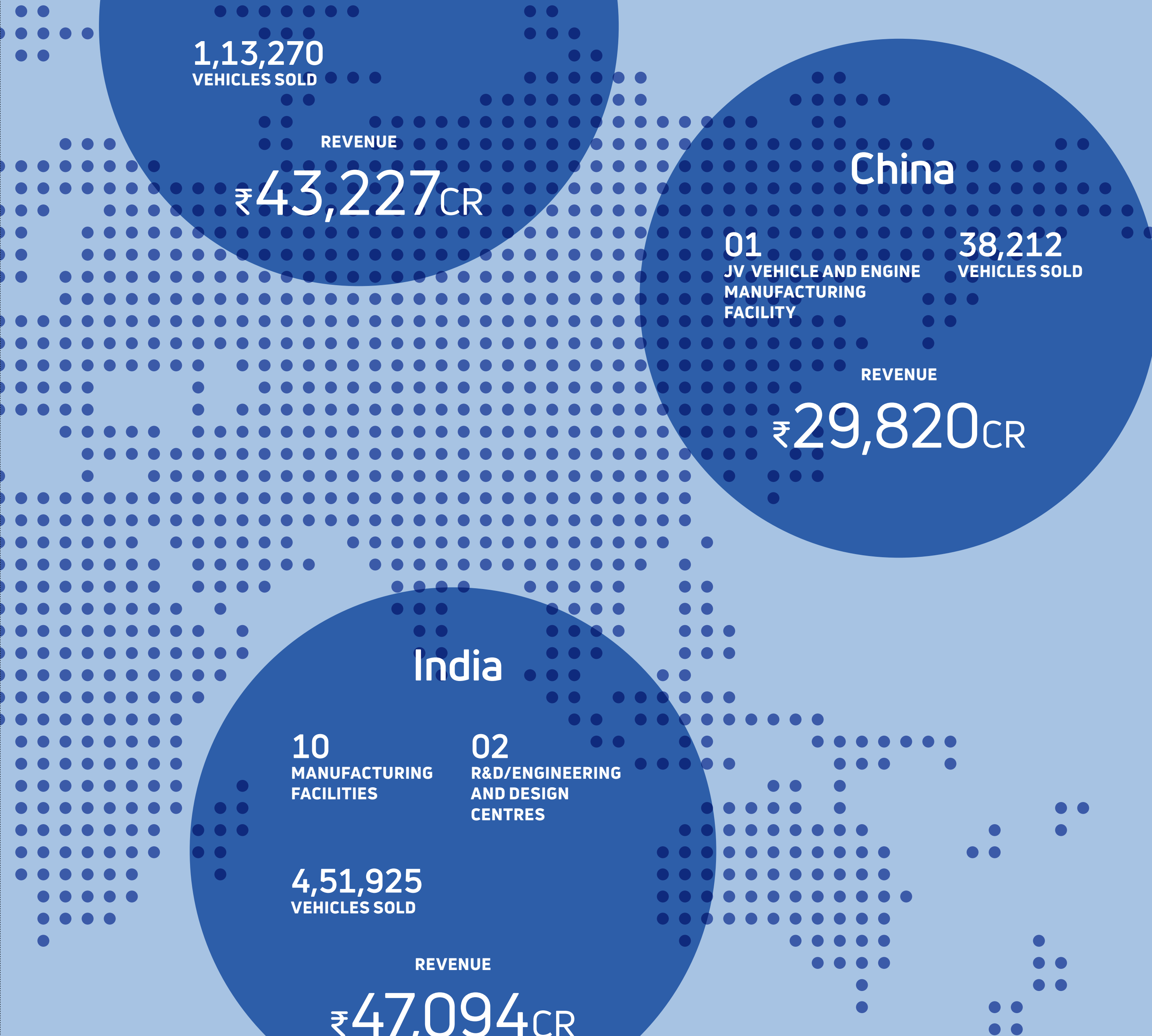
[1]The Integrated Report does not include information on these subsidiaries explicitly, except for the consolidated financial figures of the Tata Motors Group.

Company Profile Contd.

Extending mobility solutions around the world



Note: All figures pertain to FY20.



Europe

02
MANUFACTURING FACILITIES

01
R&D/ENGINEERING AND DESIGN CENTRE

1,13,270
VEHICLES SOLD

REVENUE
₹43,227CR

China

01
JV VEHICLE AND ENGINE MANUFACTURING FACILITY

38,212
VEHICLES SOLD

REVENUE
₹29,820CR

India

10
MANUFACTURING FACILITIES

02
R&D/ENGINEERING AND DESIGN CENTRES

4,51,925
VEHICLES SOLD

REVENUE
₹47,094CR

Chairman's Message

Charting out a disciplined growth path

Mr N Chandrasekaran
Chairman and
Non-executive Director

Dear Shareholders,

It is my privilege to write to you and present the Annual Report for FY20.

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

As you know, the global auto industry has grappled with multiple issues during the year. On one hand, we saw greater clarity emerge on Brexit; yet on the other hand, mounting trade tensions, muted global growth and enhanced regulatory norms have fundamentally changed the contours of the business environment in which we operate. Next came the onset of the COVID-19 pandemic in the final quarter of the year, which has ushered in a new reality for industries across the world.

The Indian auto industry faced an unprecedented year, marked by significant headwinds. Domestic auto sales declined by 18% Y-o-Y in FY20, the lowest since the data series was introduced in 2001. Alongside a broad economic slowdown, regulatory changes—including changed axle load norms and the migration to BSVI emission standards—fuelled uncertainty for both consumers and suppliers. These challenges were further exacerbated in the final quarter of the year by the country's strict lockdown measures in response to the pandemic.

> One of the highlights of the year was the launch of the Tata UniEVerse, an entire electric mobility ecosystem—from charging infrastructure, battery cells, battery packs and electric motors, to financing options, customised for the needs of electric vehicle (EV) ownership.

Against this volatile macro backdrop, your Company is charting out a disciplined path towards a robust and resilient future. I would like to first address the current year's performance, followed by various transformative initiatives being undertaken.

Tata Motors Limited (TML)
Over the past two financial years, TML focused on refreshing its portfolio, improving structural efficiencies and streamlining internal processes. In doing so, TML turned a corner and delivered improved market shares, profitability, and positive free cash flows. In FY19, we delivered positive net income of ₹2,021 crore, after making losses for five years. In both FY18 and FY19, TML produced positive free cash flows, following five years in negative territory.

However, in FY20, this turnaround journey has been interrupted, as demand deteriorated sharply on the back of an abruptly slowing economy coupled with the spread of COVID-19.

In the CV segment, overall volumes declined by 34% Y-o-Y, with the Medium and Heavy Commercial Vehicle (MHCV) segment witnessing a steep decline of 50%. However, with improved stakeholder engagement, TML managed to improve market share in both the MHCV and Intermediate and Light Commercial Vehicle (ILCV) segments by 240 bps and 180 bps, respectively, while it lost market share by 210 bps in the Small Commercial Vehicle (SCV) segment. The PV segment witnessed a volume decline of 37% and a loss of market share by 150 bps, as the Company streamlined its supply chain, exited non-core operations and implemented measures to improve ecosystem viability.

During the year, TML successfully transitioned its entire product range to BSVI emission norms, with historically low levels of system inventory. I am optimistic that our BSVI portfolio will provide our customers with superior value, technology, features, and experience, positioning us as leaders in building a green and clean India.

One of the highlights of the year was the launch of the Tata UniEVerse, an entire electric mobility ecosystem—from charging infrastructure, battery cells, battery packs and electric motors, to financing options, customised for the needs of electric vehicle (EV) ownership. Anchoring the ecosystem will be EVs that are aspirational, practical and affordable. TML is a market leader in the EV segment, having launched the Tigor EV and the Nexon EV during the year. And there will be more.

TML will be supported by other key Tata group companies to make this unique and comprehensive solution a reality. In doing so, India has the potential to be a global electric mobility hub.

Jaguar Land Rover (JLR)
Ongoing trade conflicts and the COVID-19 pandemic adversely impacted JLR vehicle sales in FY20, which contracted by 12% y-o-y. A significant part of the volume decline occurred in the fourth quarter of FY19-20. JLR undertook a host of structural initiatives to drive efficiencies so that, despite the decrease in volumes, the business improved its profitability during the year and reduced its cash outflows, compared with previous years. Our turnaround programme in China resulted in six months of continued double-digit Y-o-Y growth.

JLR continues to develop award-winning products that combine outstanding performance and technology. This year, JLR refreshed the Land Rover Discovery Sport, the Jaguar F-Type and the Jaguar XE. The all-electric Jaguar I-Pace won the prestigious Golden Steering Wheel award this past November.

JLR continues to develop award-winning products that combine outstanding performance and technology. This year, JLR refreshed the Land Rover Discovery Sport, the Jaguar F-Type and the Jaguar XE. The all-electric Jaguar I-Pace won the prestigious Golden Steering Wheel award this past November. JLR had a spate of product launches over the course of the year: Range Rover Evoque and Land Rover Discovery Sport, both premium compact SUVs, are now available with Plug-in Hybrid Electric Vehicle (PHEV) technology.

Added to this, JLR celebrated the official opening of two world-class facilities this year: the Advanced Product Creation Centre in Gaydon and the National Automotive Innovation Centre in Warwick, one of Europe's largest automotive R&D hubs. Both of these centres will focus on innovation that leads to connected, seamless, integrated and clean mobility.

This year, Chief Executive Officer Dr Ralf Speth will retire after 10 years of dedicated service. I would like to personally thank him for his vision, unfaltering passion and commitment in leading Jaguar Land Rover, delivering new technologies and outstanding products and services.

Looking ahead
As we look ahead over the next two years, we anticipate a tremendous deal of transformation stemming from COVID-19. Consumer behaviour will change in numerous ways, from demanding more integrated digital experiences to prioritising health and safety features across purchasing decisions. The move to 'slow' travel and personal (versus public and/or shared) transport may shape future demand for passenger vehicles. Greater scrutiny will be placed on building environmental sustainability and climate resilience into the very core of business models. The Tata Motor Group is well placed to meet the demand opportunities that will arise from these important and fundamental shifts.

I would like to take this opportunity to thank you for your continued trust, confidence, and support as we enter a brave new decade—one that is already rewriting the rules of the past

Best regards,

N Chandrasekaran
Mumbai, June 15, 2020

TML CEO and MD's Message

Building a profitable roadmap

Mr Guenter Butschek
CEO and Managing Director,
Tata Motors Limited

Dear Shareholders,

I hope this letter finds you in good health.

FY20 was perhaps the most unpredictable year of the decade for the Indian automotive industry – entry of new OEMs, slew of launches from established OEMs, continuing pressure on liquidity, high fuel prices, revised axle load norms, mandatory transition to BSVI norms, plus weak consumer sentiments that prevailed throughout the year.

Cognisant of the possible rough road ahead, we started our FY20 journey with a clear objective to take our turnaround to the next level by enriching our product portfolio, accelerating retail sales, enhancing customer experience and being even more prudent in managing liquidity and costs.

Building a future-ready product portfolio
Going beyond the necessary technology upgrade required for the mandatory transition to BSVI, we unveiled a comprehensive future-ready product portfolio. This included the Altroz, India's first Global New Car Assessment Programme (Global NCAP) 5-star safety-rated car (a premium hatchback built on the Alfa platform); refreshed BSVI Tiago, Tigor, Nexon and Harrier; and new launches such as the Intra to 55-tonne Prima in the CV space, with 140+ type approvals and ~19 engines.

Accelerating retail with 'Mission Zero'
The mandatory transition to BSVI norms, effective April 1, 2020, necessitated a meticulously planned strategy to minimise BSIV inventory carryover. Our early and conscious focus on retail sales, against the industry norm of wholesale, helped us achieve the target of zero BSIV vehicle stock, with the retail business recording a 13% jump over wholesale in PV and 16% in CV.

Delivering superior customer experience
In PV, the upward trend in Net Promotor Score (NPS) consolidated reiterating an improved perception of our brand amongst stakeholders. With the launch of Tata UniEVerse, a collaboration among Tata group companies, the EV business unlocked tremendous underlying potential by bringing forth the unique strength of each company to co-create India's most comprehensive e-mobility ecosystem.

Prudently managing liquidity and costs
Contribution margins were successfully maintained despite a change in revenue mix and overall lower revenues via a rigorous cost reduction programme. All opportunities to unlock working capital, capex and receivables were intensively captured to support free cash flows.

While we made good progress on the above, it wasn't enough to mitigate the overall impact of the macro environment on our market and financial performance, further exacerbated during the last quarter with disruptions induced by the COVID-19 pandemic.

During the year, we announced strategic initiatives to make the organisation more resilient, agile and future-ready. Subsidiarisation of the PV business enables the realisation of its full potential with mutually beneficial strategic alliances and better access to products, architectures, powertrains, new-age technologies and capital. Reimagining its front end will drive superior customer experience and improve market performance. A novel, digital-led stakeholder engagement programme underlines the CV business' endeavour towards redefining transportation with our new range of vehicles offering improved total cost of ownership.

For the immediate, we remain focused on executing a senior leadership led comprehensive Business Continuity Plan (BCP) to manage an effective restart and ensure the early revival of our ecosystem. With the safety and well-being of our employees, customers and partners as the utmost priority, we have resumed operations at all our plants after taking the requisite precautions. We intend to scale in a graded manner as the entire enabling support system of suppliers, dealers and customers comes up to speed.

The demand scenario is expected to remain uncertain in the aftermath of the COVID-19 pandemic even as the need for safe personal mobility evolves into a new area of focus. Accordingly, we continue to build agility to respond dynamically to the changing consumer behaviour through closer connect with our customers.

We are building a profitable roadmap by reducing the break-evens, improving cash generation and deleveraging the business. A cash improvement programme of ₹6,000 crore (including a cost savings programme of ₹1,500 crore) has been called out. Our refreshed BSVI product portfolio with customised offerings and enhanced customer experience will help us improve our market share. We expect to end FY21 with positive free cash flows.

Thank you for your continued trust and commitment to Tata Motors Group.

Best regards,

Guenter Butschek
Ramsau am Dachstein, Austria, June 15, 2020

JLR CEO's Message

Towards long-term sustainable growth

Dr Ralf Speth
CEO, Jaguar Land Rover

Dear Shareholders,

This year, Jaguar Land Rover re-imagined the Land Rover Defender and celebrated winning a historic treble at the 2019 World Car of the Year awards with the Jaguar I-PACE. We are proud to be the UK's largest automotive manufacturer, respected across the world for our outstanding award-winning products and innovative customer-focused technologies.

2020 will be remembered for the COVID-19 pandemic, which has devastated lives and disrupted livelihoods. It is our people who make us what we are and I would like to thank everyone at Jaguar Land Rover and the Tata Motors Group for their outstanding support.

Our performance
Total revenues in FY20 were £23 billion, with 475,952 wholesale units (excluding wholesale from our China JV), an EBIT margin of -0.1% and a loss before tax of £422 million.

Notwithstanding the impact of regulatory changes, shifting consumer tastes, Brexit and ongoing trade tensions, during the second and third quarters, sales for Jaguar and Land Rover were on a strong and profitable trajectory, underpinned by the £2.9 billion of cost and cashflow improvements achieved through our major transformation programme, Project Charge. Our decisive turnaround measures in China resulted in six months of continued double-digit Y-o-Y growth.

The unprecedented disruptions caused by the COVID-19 pandemic inevitably impacted sales and profitability in the fourth quarter. Despite the many headwinds, retail sales of our all-electric Jaguar I-PACE and our all-new Range Rover Evoque increased Y-o-Y by 40.0% and 24.7%, respectively. In addition, we sold more of our halo Special Vehicle products than ever before, with over 9,500 vehicles retailed in FY20, up 64% Y-o-Y.

We have reacted quickly and decisively to the pandemic, with an accelerated focus on improving cashflow and strengthening liquidity to pave the way for long-term EBIT margin improvement. Charge+, the next phase of our transformation programme, is already ahead of schedule, having achieved £600 million of savings to date against a new target of over £2 billion of cost improvements by March 2021.

Our products and innovation
We innovate relentlessly to create exciting and inherently diverse products with a compelling combination of British design and engineering integrity.

This year, our Jaguar XE was updated with an enhanced exterior and all-new luxurious interior, focused on new technologies. Our iconic sports car, the Jaguar F-TYPE, has also been refreshed.

Our leaps forward in electrification were evidenced by significant success for the Panasonic Jaguar Racing team in the Formula E championship this year. In November 2019, the ground-breaking Jaguar I-PACE added the coveted Golden Steering Wheel to its vast collection of prestigious awards.

In September 2019, we launched our new Land Rover Defender to critical acclaim. It brings the latest advances in technology and connectivity, plus mild-hybrid and, soon, plug-in hybrid drivetrains. We have also expanded our electrified Land Rover line-up with our latest 1.5 litre, three-cylinder plug-in hybrid system, now available for Range Rover Evoque and Land Rover Discovery Sport.

Investing in mobility
Through collaboration and continuous investment into R&D, we are leading the transition to connected, seamless and integrated mobility. Unveiled in February 2020, Project Vector is a physical representation of our Destination Zero ambition – an advanced, connected, autonomy-ready electric vehicle concept for both public and private mobility.

Our purpose
We are now preparing for a post-virus future in which private vehicles could play a far greater role than previously imagined. We have charted a path towards long-term sustainable growth, with a lean cost base, disciplined capital allocation, a highly skilled workforce and world-class R&D.

Throughout all of this, our purpose will remain constant; to create experiences people love for life.

Best regards,

Dr Ralf Speth
Coventry, UK, June 15, 2020

New Launches

Stepping up the game

We introduced modular architectures to offer more differentiated products on the same platform, moving away from our 'multiple platform' approach to a 'doing more with less' philosophy. Our launches across CV, PV, luxury sedans, SUV and EV portfolios reflect this, facilitating faster time to market and greater benefits of scale.

TATA MOTORS LIMITED

Commercial vehicles

INTRA - V10 AND V20

Built on TML's new 'Premium Tough' philosophy for CVs, Tata INTRA trucks combine sophistication and visual grandeur with robustness and reliability. Their optimised engine and fuel efficiency contribute to a power-packed performance.

ULTRA

Designed to meet changing customer preferences in the light CV segment, ULTRA Business Utility Vehicles have an unmatched combination of SUV-like comfort with truck-like performance and the profitability of a light CV.

PRIMA

The new smart Tata PRIMA, with its optimum power, fuel efficiency, safety and reliability, is designed for long-distance transportation. Its improved performance and globally integrated design gives it the exalted status of the 'World Smart Truck'.

Passenger vehicles

ALTROZ

Built with the IMPACT 2.0 design language and the first to be developed on the Alfa architecture, the Altroz sets the Gold Standard for hatchbacks with its futuristic design, advanced platform, thrilling performance, smart technology and tastefully crafted interiors. Its world class safety has been certified with the 5-star Global NCAP rating.

HARRIER

The Harrier has a bold new avatar with a compelling combination of striking exteriors, inviting interiors and 14 design enhancements, which perfectly balance its powerful stance with the natural elegance of a premium SUV. Available in five stunning colours, the Harrier's design is complemented by its performance powered by the cutting-edge Kryotec 2.0 diesel engine and advanced terrain response modes.

NEXON

The all-new Nexon combines the practicality of an SUV and the style of a sports coupe with its high-strength steel structure, new BSVI-compliant petrol and diesel engines, iRA connected tech platform, tech-driven protection, electronic stability, 6-speed drive, dual front airbags, rain-sensing wipers and many other unique features.

Electric vehicles

NEXON EV

A high-performance, connected vehicle, the Nexon EV is the first EV to be powered by the state-of-the-art ZIPTRON technology. It is equipped with a high-efficiency AC motor that is powered by a 300+ km capacity lithium-ion battery. Acceleration of 0-100 kmph in 9.9 seconds, anxiety-free range of 312 km, 30.2 kWh battery pack, 129 PS power, 245 NM torque and 1-hour fast charging, along with spacious interiors, Harman sound management system and enhanced connectivity with 35 mobile apps – contribute to a superior driving experience.

EXTENDED RANGE TIGOR EV — XE+, XM+ AND XT+

The extended range of the Tigor EV offers an enhanced driving range, low cost of ownership, improved connectivity, the comfort of a sedan and zero emissions. Its dual drive modes – 'Drive' and 'Sport' – help peak performance even in extreme, ambient temperatures and the car is equipped safety features like dual airbags and anti-lock braking system.

TIAGO

Built with the IMPACT 2.0 design language, the Tiago 2020 is defined by a confident, mature and sporty feel. It is available in six exciting colours and is equipped with 10 new special features to suit customers' aspirations. Its Global NCAP 4-star safety rating further adds to a superior driving experience.

TIGOR

The new Tigor exhibits a confident, understated and executive-oriented design that is inspired by the IMPACT 2.0 design language of TML's compact sedan range of products. It is stacked with premium features that make every drive an absolute delight, along with a class-leading infotainment system by Harman and connectivity by Android Auto and Apple CarPlay.

New Launches Contd.

JAGUAR LAND ROVER

Jaguar

REFRESHED F-TYPE

The new Jaguar F-TYPE is the latest in a distinguished bloodline of powerful, agile and distinctive sports cars. Combining exhilarating performance, accomplished handling and cutting-edge technology, it delivers an exceptional driving experience. Housing the advanced and efficient Ingenium petrol engine and the powerful infotainment system, Touch Pro, the F-TYPE comes with a range of assisted driving features, Software-Over-The-Air (SOTA) functionality and exclusive interiors and exteriors.

JAGUAR I-PACE

The Jaguar I-PACE, the world's first premium all-electric performance SUV, makes owning and driving an electric vehicle easier than ever with several features, such as – faster charging (11kW AC domestic wall box that can add 53 km/33 miles of range (WLTP) per hour for customers with three-phase supplies); outstanding performance and range (acceleration from 0-60 mph in just 4.5 seconds and up to 470 km/292 miles (WLTP)); and enhanced SOTA capability (systems including infotainment, battery management and charging can be updated remotely and enable the I-PACE to continuously improve over time).

JAGUAR XE

The new Jaguar XE runs on efficient Ingenium diesel and petrol engines with a lightweight aluminium-intensive body, double wishbone front and integral link rear suspension, which deliver agile handling and excellent safety. An enhanced exterior provides a more assertive appearance with new front and rear bumpers, advanced all-LED headlights and tail lights with distinctive LED signatures. Its all-new luxurious interior features beautiful details and premium materials. The Touch Pro infotainment system, with a 12.3-inch interactive driver display and AI-powered smart settings, is customisable, intuitive and responsive.

Land Rover

LAND ROVER DEFENDER

An icon reimagined for the 21st century, the new Land Rover Defender is designed with purpose and engineered to excite. Its all-terrain ability ensures journeys on any surface are covered with comfort and ease.
The model offers electrified powertrains with advanced Mild Hybrid Electric Vehicle (MHEV) and PHEV options, as well as powerful and efficient petrol and diesel engines. The functional, durable and flexible interior is unique, with exposed structural elements and a central front jump seat – perfect for sharing adventures with the family. The car's launch was met with tremendous response, with orders crossing 22,000.

LAND ROVER DISCOVERY SPORT

The new Discovery Sport is more intuitive, practical and convenient than ever before. The world's most versatile and capable compact 5+2 SUV now features enhanced design, the latest in technology and more efficient, electrified engines. Premium Transverse Architecture provides superior handling, surpasses the most stringent global safety requirements and accommodates electrified powertrains. The new 48-volt MHEV, 3-cylinder PHEV or 3- and 4-cylinder Ingenium petrol and diesel engines deliver increased efficiency and are the customers' choice.

RANGE ROVER EVOQUE

The new Range Rover Evoque is now available with PHEV technology, delivering the performance, refinement and capability customers expect together with an electric-only range of up to 66 km and CO_2 emissions as low as 32 g/km. Badged P300e, the new Range Rover Evoque plug-in hybrid is based on Land Rover's state-of-the-art Premium Transverse Architecture, which was designed to support electrification while maintaining Land Rover's signature off-road capability. The new plug-in hybrid P300e model joins the existing 48-volt mild-hybrid SUV in the range, bringing new levels of efficiency to the premium compact SUV sector.

NEW RANGE ROVER

The flagship Range Rover SUV received an upgrade in the year, in the form of Ingenium straight-six balance, as well as refinement and efficiency to enhance its peerless luxury and enduring appeal. The new Range Rover is cleaner and more responsive thanks to improved efficiency and more immediate power delivery of the MHEV powertrain. Apple CarPlay and Android Auto are embedded in the car, improving smartphone connectivity. Latest personalisation options, smarter tech and comfort features reinforce the car's position in the luxury SUV segment.

Key Highlights
In retrospect

PRODUCT AND BUSINESS UPDATES

Tata Motors Limited

- Launched India's first compact truck Tata INTRA, creating a new segment in the Small Commercial Vehicle (SCV) space
- Unveiled India's first electric SUV, the Nexon EV powered by the ZIPTRON technology
- Joined hands with Tata Power, Tata Chemicals, Tata AutoComp, Tata Motors Finance and Croma to form Tata UniEVerse, a functional e-mobility ecosystem
- Offered one of the largest BSVI portfolios at the Auto Expo 2020, displaying 14 all-new BSVI range of products across CV segments
- Showcased the NEW FOREVER range of PVs at the Auto Expo 2020 with 12 exhibits exemplifying the IMPACT 2.0 design language across cars and utility vehicles
- Teased the pre-production version of the flagship SUV, the Gravitas; unveiled the HBX show car, based on the Alfa ARC, and the Sierra EV concept at the Auto Expo 2020
- Launched the Altroz, TML's first premium hatchback to be developed on the new Alfa architecture, redefining the segment with its Gold Standard in design, safety, technology and driving experience with a 5-star safety rating from Global NCAP
- Received approval from the Board to subsidiarise TML's PV business, including EVs, through a scheme of arrangement

Jaguar Land Rover

- Announced collaboration with the BMW Group to develop next-gen EDUs to support the industry's transition to an ACES (Autonomous, Connected, Electric and Shared vehicles) future
- Launched Pivi Pro infotainment with the SOTA technology
- Unveiled an advanced product creation centre at Gaydon, bringing design, engineering and production purchasing under one roof for the first time in JLR's history
- Unveiled the bold new concept vehicle, Project Vector, as part of JLR's Destination Zero journey
- Acquired the all-terrain performance specialist Bowler, which brings its expertise in all-terrain vehicle dynamics, low-volume production techniques and extreme durability to JLR
- Unveiled the new Jaguar F-TYPE, a definitive Jaguar sports car, continuing to set the benchmark for design purity, driver engagement and reward
- Launched the much-awaited new Land Rover Defender, offering a connected driving experience and supreme long-haul comfort across all terrains and in all conditions
- His Royal Highness The Prince of Wales officially opened one of Europe's largest automotive R&D facilities, the National Automotive Innovation Centre (NAIC) at the University of Warwick, Coventry

AWARDS

Tata Motors Limited

- Ranked 31st out of 2,000 and 5th among global automobile manufacturers in Forbes World's Best Regarded Companies 2019
- Ranked second highest in the JD Power India Customer Service Index Study 2019 for a third consecutive year
- CV business received several awards during the year at platforms like Apollo CV, ET Now, CII Award for Customer Obsession and CII Maturity Model
- PV business received a strong response and accolades, with 13 awards during the year
- Tata Harrier received several awards and accolades, including Most Awaited Car of the Year award, Car of the Year award and Best Design award at various forums
- Tata Sierra Concept EV received Best Design award at Car & Bike – Auto Expo Excellence Awards

Jaguar Land Rover

- Received 200+ awards from leading international motoring writers, magazines and opinion leaders, reflecting the strength of its model line-up, design and engineering capabilities
- Jaguar I-PACE received 2019 World Green Car of the Year, 2019 World Car Design of the Year and 2019 World Car of the Year at the World Car of the Year Awards, and the Best SUV Award at Golden Steering Wheel Awards

SOCIAL RESPONSIBILITY

Tata Motors Limited

- Organised free nationwide Pollution Under Control (PUC) checkup camps this World Environment Day (WED) on June 5; 570+ workshops conducted across India offering free pollution check camps to all PV customers
- Implemented programmes focusing on health, education, employability and environment interventions for relevant target groups
- Arranged cooked food, masks and sanitisers along with information kits on precautions to be taken for safety, health and hygiene, for thousands of truck drivers; the direct assistance programme during COVID-19 benefitted 1.5 lakh people
- Over 8.3 lakh people benefitted from our various community programmes during the year

Jaguar Land Rover

- Donated 700 desks to seven schools in villages close to the Pune plant, supporting the education of 1,000+ children
- Working with partner BASF, part of a pilot research project that aims to tackle the challenges of plastic waste; the project takes plastic waste and recycles it into premium material for potential use in future Jaguar and Land Rover models
- Received the inaugural 2020 Chinese Car of the Year Corporate Social Responsibility (CSR) Reputation Award
- Deployed 362 vehicles globally to support charitable organisations and frontline workers tackling the spread of coronavirus
- Supplied 3D-printed face visors for protection of frontline staff in the fight against COVID-19

Performance Review

Steering through headwinds; relying on strategic strengths

For TML, a steep volume decline, particularly in MHCV, general economic slowdown, impact of the COVID-19 pandemic towards the year-end and the resulting negative operating leverage impacted profitability and cash flows. TML achieved a seamless BSVI transition in the current year despite several challenges. Due to focused efforts, the inventory in the entire ecosystem reached an all-time low: CV inventory at near zero level and PV inventory (all BSVI) near 13,000 units, with no BSIV inventory remaining unsold.

Amid continuous external challenges, JLR has responded with decisive action, in the form of Projects Charge and Charge+, which together achieved cumulative cash and cost savings of £3.5 billion till FY20. Despite headwinds, the business recorded an EBIT of (0.1)% in FY20, improving by 60 bps Y-o-Y, and a free cash flow of £(702) million, improving by £563 million Y-o-Y.

FINANCIAL

	Sales volume (Wholesale) (units)	PVs sold (Wholesale) (units)	CVs sold (Wholesale) (units)	Sales volume (Wholesale) (units)
FY20	**9,61,463**	**1,37,924**	**3,47,587**	**4,75,952**
FY19	12,74,072	2,34,500	5,27,286	5,07,895
FY18	12,21,124	2,19,274	4,56,552	5,45,298
	Consolidated (excluding CJLR*)	Tata and other brand vehicles	Tata and other brand vehicles	Jaguar Land Rover (excluding CJLR*)

*CJLR: Chery Jaguar Land Rover

Revenue (₹ crore)

FY20	2,61,068
FY19	3,01,938
FY18	2,92,341

Consolidated

Net auto debt/ Shareholders' equity (x)

FY20	0.67
FY19	0.47
FY18	0.15

Consolidated

EBITDA margin (%)

FY20	8.4
FY19	8.9
FY18	10.7

Consolidated

Free cash flow (Automotive) (₹ crore)

FY20	(9,205)
FY19	(9,168)
FY18	(7,287)

Consolidated

NON-FINANCIAL

Specific GHG emissions (tCO_2/vehicle)

FY20	0.69
FY19	0.69
FY18	0.71

Tata Motors Limited

Patents granted (Nos.)

FY20	178
FY19	104
FY18	80

Tata Motors Limited

Ratio of female employees to total employees (%)

FY20	5.78
FY19	5.16
FY18	3.00

Tata Motors Limited

Water consumption (m^3)

FY20	21,39,464
FY19	17,87,737
FY18	19,40,527

Jaguar Land Rover

Energy consumption (MWh)

FY20	15,40,933
FY19	13,68,857
FY18	14,98,249

Jaguar Land Rover

Reduction in Scope 1 GHG emissions (tCO_2e)

FY20	1,52,462
FY19	1,40,759
FY18	1,66,344

Jaguar Land Rover

Hazardous waste generation (tonnes)

FY20	10,388
FY19	5,760
FY18	4,189

Jaguar Land Rover

Renewable energy consumption (MWh)

FY20	5,71,485
FY19	5,20,166
FY18	5,28,657

Jaguar Land Rover

Business Model

How we create and transform value

Our six capitals and their relevance to our process of value creation

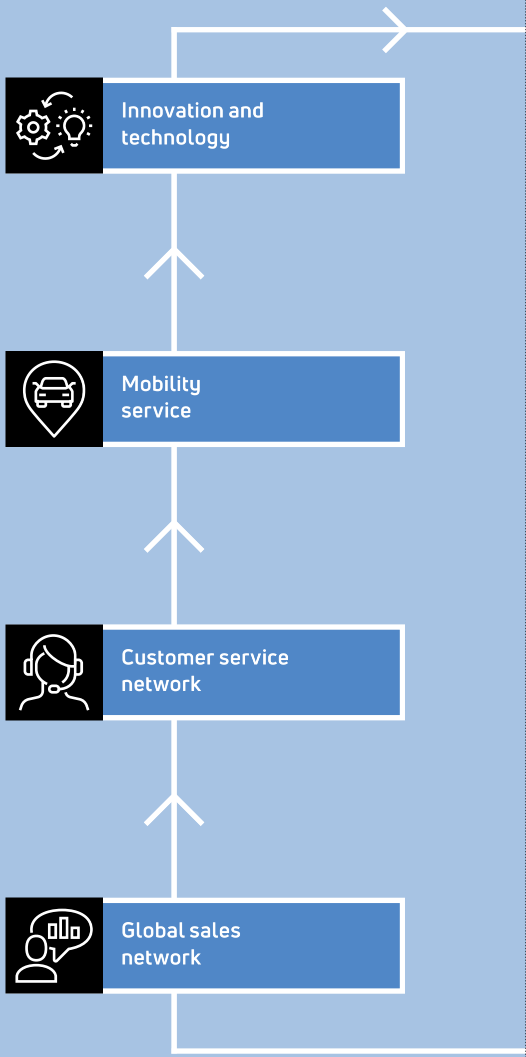
FINANCIAL
We raise funds from various providers of capital – shareholders, bond issuers, banks and the financial markets. Using these funds optimally, we create value and drive growth.

MANUFACTURED
Operational excellence, benchmark performance, continuous innovation and improvement in automotive manufacturing processes, lay the foundation of our growth.

INTELLECTUAL
In keeping with the changing customer preferences and evolving regulatory environment, we deliver products that are world class and are technologically advanced.
Our research, design and engineering centres collaborate with expert bodies globally in the process of developing future-ready products.

Inputs

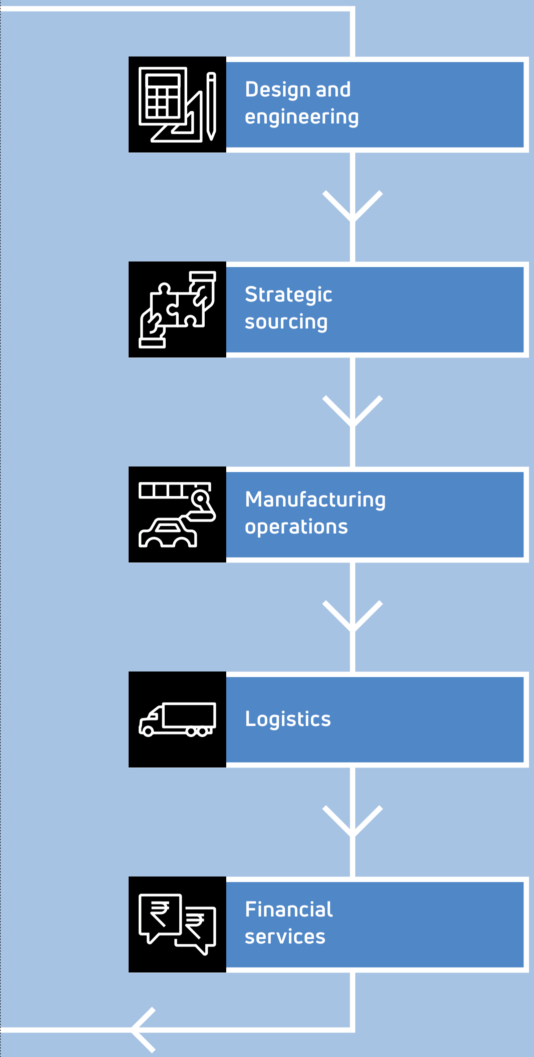
	TML	JLR
	• ₹18,388 crore equity • ₹4,513 crore capex • ₹25,445 crore debt	• £6,548 million equity • £2,873 million capex • £5,343 million debt
	• 9 manufacturing units • 2 design and engineering centres	• 12 manufacturing and engineering facilities • 7 technology hubs
	• 89 design applications filed • 86 patents filed	• 195 foreign design applications • 281 foreign patent applications
	• 42,597 total employees • 4,121 employees in R&D	• 39,590 employees
	• 8 Sustainable Supply Chain Initiative workshops organised for suppliers • ₹22.91 crore spent on CSR • 1,11,960 hours volunteered by employees	• 2,874 retailers • £6,545,513 spent on CSR • 66,749 hours volunteered by employees
	• 1.93 Gj/vehicle specific direct energy consumed • 3.14 Gj/vehicle specific indirect energy consumed • 5.07 Gj/vehicle specific total energy consumed	• 15,40,933 MWh energy consumed • 21,39,464 m^3 water consumed



HUMAN
For an innovation-driven business like ours, our human capital is at the core of all we do. Our group of engineers, scientists, technicians and workers are key to bringing life to our strategy.

SOCIAL AND RELATIONSHIP
Stakeholder engagement is about the alignment of our growth story with societal needs. Our value creation efforts are aimed at our employees, suppliers, dealer, customers, end users and the communities where we operate.

NATURAL
As a resource-intensive business, our manufacturing operations depend on a variety of naturally sourced raw materials. Our business operations also impact the environment in the form of emissions and wastes.



Impact

TML	JLR
• ₹43,928 crore revenue • 0.6% EBITDA margin • (7.1)% EBIT margin • ₹(5,968) crore free cash flow	• £22,984 million revenue • 8.7% EBITDA margin • (0.1%) EBIT margin • £(702) million free cash flow
• 4,53,347 units produced (including Joint Operations)	• 5,21,289 units produced
• 178 patents granted • 50 design applications approved	• 695 patents granted • 340 designs approved
• 6.14% gender diversity • 0.09 per million person-hours lost time injury frequency rate (including fatalities)	• 16.5% gender diversity (pertains to permanent, fixed-term and trainee employees only) • 0.04 per 200,000 person-hours lost-time injury rate
• 7,63,600 lives impacted through CSR initiatives • 2nd in the Customer Satisfaction Index, JD Power 2019 with a score of 870 (industry average is 826) • 358 suppliers covered in total under the Sustainable Supply Chain Initiative • 32 suppliers have reduced energy consumption and GHG emissions • 34 suppliers have reduced freshwater consumption • 27 suppliers are using renewable energy • 40 more dealerships covered under the Dealers Sustainability Initiative, taking the total to 67	• 21,11,015 lives impacted through CSR initiatives
• 0.13 tCO_2/vehicle specific Scope 1 emissions • 0.56 tCO_2/vehicle specific Scope 2 emissions	• 1,52,462 tCO_2e Scope 1 emissions • 37.08% renewable energy in total energy consumption • 10,388 tonnes hazardous waste produced

Operating Environment

Challenges abound; opportunities in play

World over, the auto industry is facing a challenging environment with the overlap of cyclical and structural issues, growing environmental concerns and unpredictable policy frameworks.

STRONG HEADWINDS IN DIFFERENT MARKETS

Tata Motors Limited

The auto industry faced strong headwinds in FY20 amidst a slowing economy due to multiple factors, such as liquidity crisis, low freight availability to cargo operators, high fuel prices, changes in axle load norms and BSVI transition, all leading to weak consumer sentiments and subdued demand across segments. The outbreak of COVID-19 towards the year-end has significantly magnified the pre-pandemic challenges.

While the overall situation still remains fluid, the general expectation is that the economy should start turning around from H2 FY21, on the back of rural recovery, normal monsoon, interventions from the government and the Reserve Bank of India, and phase-wise easing of the lockdown. Although the outlook remains uncertain, TML expects gradual recovery in sales and improvements in cash flow from H2 FY21.

Jaguar Land Rover

The UK formally exited the European Union (EU) on January 31, 2020, with a transition period to facilitate an orderly withdrawal ending on December 31, 2020. Uncertainty remains over the future terms of trade at the end of the transition period meaning we could be subject to the World Trade Organization (WTO) tariffs from January 2021. These additional costs pose an unnecessary risk to the business at a time when we have experienced unprecedented disruption caused by the COVID-19 pandemic.

A fifth of JLR's retail sales in FY20 were in Europe, and JLR continues to significantly rely on its suppliers based in the EU, which accounts for 45% of the content of vehicles. Any barriers that pose a threat to frictionless trade and the free movement of parts and labour will likely have an adverse effect on JLR's business operations.

Trade tensions between the US and China continued during the year and although JLR experienced a recovery in retail sales in China with double-digit Y-o-Y growth in the second and third quarters, any further escalation in trade tensions between the two countries could pose further risk to sales. Further, if governments continue to enforce protectionist policies – for example, tariffs on imported vehicles – it will likely have a negative impact JLR's business performance.

MOUNTING PRESSURE OF COMPLIANCE WITH STRICTER REGULATIONS

Tata Motors Limited

FY20 was the year of transition to BSVI. Accordingly, from April 1, 2020, all vehicles sold in India should be complying with the BSVI emissions norms. TML offers one of the largest BSVI portfolios, from sub-1 tonne to 55 tonne of GVW. TML has not only upgraded its existing CV and PV products with BSVI technology, but also enriched them in terms of value, technology, features and experience, to meet customers' aspirations.

In line with its commitment to a green and clean environment, TML, in tandem with the Tata group, has taken the lead in driving the government's vision of electrifying India and building a comprehensive and sustainable ecosystem, by leveraging the group's rich experience and diversified competencies.

Jaguar Land Rover

Despite significant improvements in fuel economy and reduction in CO_2 and NO_x emissions, the demand for diesel vehicles has declined – most notably in the UK and Europe. This is largely as a result of government policy and tighter regulations, several countries having pledged to bring forward their strategies to phase out the sale of internal combustion engine vehicles altogether.

JLR continues to expand electrified powertrain options by offering full-battery electric, PHEV and MHEV on all of its new and refreshed model range, as well as by refining the latest technologically advanced diesel and petrol Ingenium engines to ensure compliance with emissions regulations.

EMERGENCE OF COVID-19

Tata Motors Limited

The COVID-19 pandemic significantly impacted the performance in the fourth quarter. As a result, profitability was impacted by ~₹500 crore and free cash flow by ~₹2,000 crore. TML responded promptly to the crisis by implementing a temporary lockdown of all its plants and instituted rigorous cost and capex controls to conserve as much cash as possible. A calibrated restart of operations has been undertaken, giving utmost priority to the safety and well-being of employees, customers and ecosystem partners.

Jaguar Land Rover

After a return to profit in the second and third quarters, JLR's PBT was impacted by £599 million and free cash flow by £767 million owing to the COVID-19 pandemic. JLR's focus has been on conserving cash and prioritising capex into key products. JLR is seeing evidence of a recovery in sales in most markets, notably China, however, there remains considerable uncertainty about the extent, speed and regional differences of any recovery. including any longer term impacts on the business and the possibility of a second wave of the pandemic.

The Solihull manufacturing facility and the Engine Manufacturing Centre in the UK, the contract manufacturing line in Graz (Austria) and the facility in Nitra (Slovakia) started production in mid-May. The Halewood facility started production in early June. The Castle Bromwich facility will reopen in due course, while the JV facility in China has been open since late February.

Operating Environment Contd.

A sucCESSful future ahead

While the cyclical impact is beyond the industry's control, the structural factors are prompting the industry to provide cleaner and smarter mobility solutions. To address the challenges, mitigate the structural risks and capitalise on the unique opportunities, the Tata Motors Group is focusing on **'CESS'** — **(C) Connected, (E) Electric, (S) Shared, (S) Safe —** to drive the mobility agenda.

The automobile landscape is seeing rapid transformation in the form of tightening emissions norms, push towards electrification and enhanced disruptions from autonomous and connected technologies. Moreover, as the aspiration levels of the consumer continue to rise, automobile companies must step up investments in contemporary products in a competitive market. We aim to lead the disruption in the mobility space in an Inclusive, Sustainable and Transformational (IST) manner. 'I' denotes the Inclusivity of our thoughts with all aspects under consideration, a mutually agreed plan by all relevant parties. 'S' denotes the Sustainability of our actions, the rigor and execution of our plans to address the key pain points and 'T' denotes the Transformational approach to lead the future by translating our joint vision into reality.

Connected

Tata Motors Limited

TML has developed a fully indigenous Connected Vehicle Platform (CVP) for its CV, PV and EV. All TML's future products will have the CVP platform built in, to address diversified applications and consumer preferences. TML is also the first vehicle manufacturer in India, installing more than 1,00,000 advanced telematics units in its CVs under the Tata Fleetman programme. TML introduced the holistic ZConnect, which offers 35 advanced connected car features, through the Nexon EV. The Tata Altroz Voice BoT is designed to assist customer journeys through access to rich content, such as product features and specifications, in an interactive and immersive manner.

Jaguar Land Rover

As part of the ongoing transformation in connected services capability, every new JLR vehicle now has SOTA as standard. This gives all customers the ability to receive future software updates to their vehicle without having to visit their retailer. Existing Jaguar and Land Rover customers worldwide have been offered complimentary SOTA capability and latest level Touch Pro and Touch Pro Duo infotainment upgrades on compatible models.

The new Land Rover Defender is the first vehicle to showcase JLR's most advanced in-car technology to date: the Pivi Pro infotainment system. With one LTE modem and eSIM dedicated to the (SOTA) technology and the same set-up looking after music streaming and apps. The new Defender has the digital capacity to keep customers connected, updated and entertained at all times anywhere in the world.

Electric

The world is waking up to the need for sustainable mobility solutions and at the core of the discussion is the electrification journey. To support various regulatory compliances and to contribute to a cleaner environment, Tata Motors' overall product portfolio needs to be enhanced with the incorporation of electric and hybrid vehicles as well as the inclusion of environment-friendly technological features in existing and forthcoming models. Moving to electrification offers more opportunities to shape our vision of a more sustainable, smarter driving experience. From a customer's standpoint, benefits of electric drive include low cost of ownership, convenience and ease of use, zero tailpipe emissions and a distinctive driving experience.

Tata Motors Limited

E-mobility is an irreversible megatrend and an imperative for addressing pollution. TML is closely working with other Tata group companies to create an e-mobility ecosystem, Tata UniEVerse. The aim is to closely leverage their collective strengths and experience to create a viable environment to drive the adoption of EVs in India.
Key elements of the ecosystem include providing charging solutions, a supplier base for EV components, vehicle financing and an immersive digital experience.

Read more about how TML is taking the leading in the EV space on Page 39.

Jaguar Land Rover

JLR has a growing portfolio of electrified products, giving customers even more choice. Plug-in hybrid variants of the Range Rover Evoque, the Land Rover Discovery Sport and the new Land Rover Defender have been announced.

The extensive research and development work that went into the all-electric Jaguar I-PACE's creation is now being applied to JLR's next-gen electrification technologies and in the development of future vehicles. Further, all new Jaguar and Land Rover vehicle models will offer the option of electrification. These next-gen vehicles will be manufactured at the newly electrified plant in Castle Bromwich. The manufacture of next-gen EDUs, developed in partnership with BMW, will begin at JLR's Engine Manufacturing Centre in Wolverhampton. The start of operations at JLR's Battery Assembly Centre in Hams Hall will also be a significant step forward.

Operating Environment Contd.

Shared

The shared mobility space has achieved a few milestones with app-based cab aggregators gaining ground. It paves way for several value-creation opportunities for various stakeholders, including generating employment opportunities for skilled drivers and helping meet the aspirations of new-age customers. The future urban travel is likely to be a composite of owned and shared vehicles, with access to ride hailing and on-demand services as well as public transport.

Tata Motors Limited

As aspirations start outpacing affordability and infrastructure bottlenecks, organisations need to find innovative ways to solve the current challenges of congestion, poor productivity, efficiency, transparency and accessibility prevailing within the transport ecosystem. This is a great opportunity for technological innovations in the shared mobility space. It serves as one of the most promising hotspots for new and pioneering start-ups. More than anything, it promotes customers to be responsible in their choices of mobility.

TML is actively seeking partners to help it grow its presence in the shared economy. EVs are gaining a lot of traction in the shared mobility space and TML has been a front runner in this evolving segment, entering into various strategic partnerships with shared mobility solution providers.

Jaguar Land Rover

Increased urbanisation and localised transport policies have opened up new opportunities for Mobility as a Service (MaaS), most notably in cities. Through JLR's venture capital and mobility service arm, InMotion, it has developed new solutions in the urban mobility sector, such as THE OUT, an on-demand premium car rental service, providing London residents access to Jaguar and Land Rover vehicles, and HAVN, a premium all-electric chauffeur service in London with a fleet of Jaguar I-PACEs.

JLR also introduced the new concept vehicle, Project Vector, as part of its Destination Zero mission. The compact, flexible vehicle concept measures just four metres in length and is designed for the city, packaging all its battery and drivetrain components into a flat floor, to allow a variety of uses. The revolutionary interior cabin space allows seating configurations for private, or shared use and even the opportunity for commercial applications, such as last mile deliveries.

Tata Motors Limited

Apart from increased consumer awareness, regulatory norms in India are now stressing on features like an anti-lock braking system, a driver-side airbag, a speed warning system, a seatbelt reminder for the driver and co-driver, rear parking sensors, and new stringent requirements for full-frontal impact and offset-frontal impact, aiming to reduce the instances of road accidents and the ensuing fatalities.

Read more about how TML is setting benchmarks in car safety in India on Page 38.

Jaguar Land Rover

Zero accidents is a key part of JLR's Destination Zero mission, alongside zero emissions and zero congestion. JLR's pursuit of safer roads and zero accidents has already driven it to deliver significant advancements in technology. Equipped with a full suite of Advanced Driver Assistance Systems (ADAS) functionality, JLR's latest vehicles include the award-winning Clear Sight Ground View and Rear View Mirror technologies and other pioneering safety features.

In partnership with Glasgow University, JLR has created a 'sensory steering wheel', parts of which can be quickly heated and cooled to inform drivers where to turn, when to change lane or to warn of an approaching junction.

JLR is also researching on new artificial intelligence technology to understand the state of mind while driving – and adjust cabin settings to improve driver well-being.

Risks and Opportunities

Mitigating risk in a changing world

The external environment in which the Tata Motors Group operates presents multiple opportunities and risks, which the Group companies are prepared to manage proactively. Our robust risk governance structure not just evaluates the nature of risks, it also dynamically assesses their likelihood and significance. We closely monitor the impact of these risks on the value-creation ability of the Company.

Principal risks	Description	Consequences	Mitigation	Opportunities	Capitals impacted
COVID-19 and global economic conditions	The ongoing COVID-19 pandemic has caused a significant global economic downturn. We are exposed to changes in the global economic and geopolitical environment such as trade tensions and Brexit.	The COVID-19 pandemic and the resulting business disruption in several geographies where we operate could have a material adverse impact on our operations, liquidity, business, financial conditions and credit ratings. Changes in the external environment could also have a significant impact on the global demand for our vehicles as well as our global sourcing strategy and supply chain resilience.	We continue to closely monitor and risk assess global developments, implementing mitigation plans where appropriate. We also continue to maintain our international manufacturing footprint and a balanced retail sales profile across our key sales regions. Operations at plants have resumed with robust protocol and guidelines in place across the Company to ensure effective social distancing, hygiene and health monitoring. We are being nimble and agile to start delivering as soon as the demand comes back	Global economic growth in developed and emerging markets presents opportunities to increase sales. Global growth and rising incomes create opportunities both in new and existing geographical markets as well as new and existing segments. We are seeing encouraging recovery in China post the lockdown eases and expect other geographies to follow the same pattern.	
Impairment of tangible and intangible assets	Designing, manufacturing and selling vehicles requires substantial investments in tangible and intangible assets such as R&D, product design and engineering technology. In addition, due to market challenges, our growth strategy may not materialise and product development cycles can be lengthy.	If the carrying amount of tangible and intangible assets exceeds the value of the business, it could have a material adverse effect on our financial condition and the results of operations.	Focused action plans including Project Charge+ and Project Accelerate for JLR and Turnaround 2.0 for TML aim at improving operational, financial performance and turnaround of business. Our strategy is focused on delivering positive free cash flow and generate cost savings and profitability improvements through the implementation of strategic programmes.	Delivering growth in revenues and profitability through strategic projects.	

Strategic Financial Operational Legal and compliance

Please refer to the Management Discussion and Analysis section on Page 102 for more details.

Principal risks	Description	Consequences	Mitigation	Opportunities	Capitals impacted
Supply chain disruptions, distributional channels and retailer network	We rely on third parties for sourcing raw materials, parts and components used in the manufacture of our products. Our ability to supply components to manufacturing operations at the required time is key to achieving production schedules. Further, in order to optimise market performance, our global sales and service channels must be aligned with the consumer demand through the appropriate mix of advanced and traditional methods.	Failure to deliver sales due to retailer capacity, poor service or capability will lead to uncompetitiveness within particular markets. The COVID-19 pandemic has led to significant disruptions in the supply chain and our distributors, dealers and retailers. These disruptions, if not managed, could have an adverse effect on production volume, sales, revenue, profitability, customer satisfaction and brand reputation.	The Group is working closely with its suppliers to monitor the risks by defining inventory salvation norms, building safety stocks and exploring localisation options, among others. Service technicians are being trained in product advancements. Digital channels such as online sales and remote servicing via SOTA are helping improve customer service. Market and retailer demand is closely monitored, in order to optimise our retailer network and invest in growth at the right place and time. The Group has undertaken several measures to support suppliers and dealers who have been impacted due to the COVID-19 pandemic.	JLR's robust and effective Supply Chain Risk Management governance framework provides it with the opportunity to proactively support and engage with its supplier base in diagnosing and mitigating potential disruptions before they occur. A network that is rightsized for the market will lead to efficient investment to optimise sales. Putting our customer first by quickly and robustly resolving problems will improve customer satisfaction and retention. Beneath all of this, the strength of our brands' reputation in the market will lead to growth compared to the competition.	
Credit rating and liquidity risks	External challenges and the COVID-19 pandemic have impacted the credit ratings of the Tata Motors Group. 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.	The COVID-19 pandemic has significantly raised the risk of credit rating downgrades across several sectors and countries. A downgrade in our credit rating may negatively affect our ability to obtain financing for our operations and capital needs. It may increase our financing costs. The COVID-19 pandemic may also increase pressure on liquidity of the Group and its subsidiaries.	We are routinely engaging with credit agencies. We have taken significant measures to shore up liquidity by way of issuing Commercial Papers (CPs) and Non-Convertible Debentures (NCDs) and revolving credit facility. We have sufficient liquidity to meet the unprecedented challenges. Actions are underway to significantly deleverage the Tata Motors Group. Cost, cash savings and capex rationalisation measures have been called out.	There are opportunities to rationalise costs, significantly eliminate non-value added activities and utilise resources in optimum manner. Recovery of economic activity post the COVID-19 pandemic can improve credit ratings and liquidity.	

Capitals

FINANCIAL

MANUFACTURED

INTELLECTUAL

HUMAN

SOCIAL AND RELATIONSHIP

NATURAL

Risks and Opportunities

Principal risks	Description	Consequences	Mitigation	Opportunities	Capitals impacted
Intensifying competition and brand positioning	Brand positioning is becoming increasingly challenging, with pressures exerted by the dynamics of the automotive market (for example, automated driving, electrification and digital connectivity) and the intensifying competition and disruption from existing automotive manufacturers and new entrants.	Our potential inability to successfully position, maintain and articulate the strength of our brands as well as the failure to develop new products/ technologies that meet customer preferences, or suffering delayed product launches, could impact the demand for our products.	With key new launches across TML and JLR, whether it be the Nexon EV, the Harrier 2020 and the Altroz, or the new Land Rover Defender, Tata Motors Group is reinforcing its brand strategy and making focused investments to set industry benchmarks through its products. In addition, the Group regularly monitors the perception of its brands to quickly identify and address uncertainties that may arise, to inform how it articulates brand values to customers.	The Group continues to strengthen brands by creating greater brand association through innovation, technological advancement and customer trends and feedback to expand and evolve product portfolio and services. With a number of upcoming launches, the Group will further enhance customer offering through new/enhanced models and powertrain/feature innovation.	
Reliance on key markets	We rely on certain key markets, including the UK, China, North America, India and continental Europe, from which we derive the substantial majority of our revenues.	A decline in demand for our vehicles in these major markets may, in the future, significantly impair our business, financial position and the results of our operations.	We have diversified our business across markets and product categories. Diversification across geographies helps mitigate the risk of country-specific challenges.	We intend to develop and are developing products to strengthen our portfolio to meet the increasing customer expectations. We continue to explore opportunities in new markets	
Innovation and rapid technology change	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.	Falling behind with technology trends will increase the risk of failure to meet the expectations of both our new and existing customers, as well as increase the risk of our products becoming relatively obsolete, impacting sales.	The Group continues to invest in R&D and to prioritise the development of technology enabling platforms and feature delivery. TML is working towards the consolidation of our future PVs on two architectures: Alfa and Omega. JLR is ensuring alignment with its Destination Zero mission and delivering experiences people love, for life.	The Group engages with the relevant industry and government partners to support the delivery of ACES technologies. In addition, TML's current products offer enhancements in the form of modular architecture, superior powertrain, lightweighting and system efficiency improvements.	

Strategic Financial Operational Legal and compliance

Please refer to the Management Discussion and Analysis section on Page 102 for more details.

Principal risks	Description	Consequences	Mitigation	Opportunities	Capitals impacted
Environmental regulations and compliance	Our production facilities are highly regulated and we may incur significant costs to comply with, or address liabilities under, environmental, health and safety laws and regulations applicable to them. The Group is subject to a rapidly evolving regulatory landscape with associated laws, regulations and policies that impact the vehicles we produce and our manufacturing facilities.	Violation of laws and regulations could result in the imposition of significant fines and penalties; the suspension, revocation or non-renewal of our permits; production delays or limitation; imprisonment; or the closure of our plants. We could 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.	The Group is committed to offering its customers a wide range of clean, sustainable propulsion technologies – whether petrol, diesel, plug-in and mild hybrids or EVs. TML has clearly prioritised EV capabilities and is one of the front runners in this industry today. JLR has invested substantially in the development of the Modular Longitudinal Architecture (MLA), advanced engines and electrification technologies. JLR retains an EU derogation permitting alternative fleet average CO_2 targets.	TML has launched an all-new, feature-rich BSVI range of products. JLR was the first premium manufacturer to introduce a Battery Electric Vehicle (BEV) into mainstream production with the Jaguar I-PACE. JLR has introduced the PHEV technology in Range Rover and Range Rover Sport, with Range Rover Velar, Jaguar E-Pace, Land Rover Discovery Sport and Range Rover Evoque PHEV model being introduced in FY21. Going forward, JLR will have an electrified option in every nameplate. The introduction of manufacturing both EDUs and battery modules provides us with the opportunity to strengthen our in-house electrification capability.	
Managing growth strategy and delivering on competitive business efficiency	As a part of the Group's growth strategy, we need to open new manufacturing, research or engineering facilities; expand existing facilities; add additional product lines; or expand our businesses into new geographical markets that feature higher growth potential than many of the more mature automotive markets in developed countries.	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 the launch of Turnaround 2.0, TML intends to drive its journey towards Competitive, Consistent and Cash-accretive growth. JLR's Project Charge and Charge+ have so far delivered £3.5 billion of cost and cash savings, with a further £1.5 billion targeted over FY21. Directed for the longer term, Project Accelerate aims to transform the business by improving sales performance, quality and cost efficiency of future products. Further, we are introducing our next-gen MLA and will continue to collaborate with partners to develop new technology.	Enhanced overall business efficiency will yield greater opportunities for growth and continued investment in our product portfolio and new technologies. Global economic growth and rising incomes create opportunities in both new and existing geographical markets and segments.	

Capitals

FINANCIAL

MANUFACTURED

INTELLECTUAL

HUMAN

SOCIAL AND RELATIONSHIP

NATURAL

Stakeholder Engagement and Materiality

Solving challenges together

Empowering our employees, engaging with our customers and suppliers, and with the support of our investors, we create value for our stakeholders while meeting our business objectives. As part of our engagement process, we discuss topics that are relevant to our operations and impact our stakeholders. These discussions shape how we define and execute our strategy.

Topics of engagement and frequency

STAKEHOLDER GROUPS	ENGAGEMENT PLATFORMS
Employees	Weekly/Monthly reviews, HR forum, townhalls and focused group discussions
Customers	Customer meets, key account process, surveys, feedback calls, training forums and direct visits
Dealers and service centres	Dealer meets, joint programmes, special training programmes, dealers council, dealer visits, audits and Dealers Sustainability Initiative
Suppliers/Service providers	Sustainable Supply Chain Initiative, Technology Days, supplier meets, vendor councils, audits and annual suppliers conference
Investors and shareholders	Investor meets, investor calls, roadshows and grievance forums for shareholders and investors
Communities	Need-assessment surveys and meetings
Regulators/Government	One-on-one meetings and meetings in industry forums
Experts/Academic and research Institutions	Case-based meetings
Media	Interactions at regular intervals

Materiality assessment at TML

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. We engage with different internal and external stakeholders regularly and identify the material issues that impact our value-creation ability.

TML carried out a detailed materiality assessment in FY18 and the issues identified are prioritised 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

- Customer satisfaction
- Regulatory compliance
- Product innovation and competitiveness
- Occupational health and safety
- Water
- Economic performance
- Emissions to air
- Energy and GHG emissions

MEDIUM

- ESG aspects in supply chain
- Training and education
- Labour management relations
- Effluent and waste management
- Raw material and recycled material usage
- Human rights
- Product labelling
- Procurement practices
- Social media

LOW

- Gender diversity
- Public policy advocacy
- Biodiversity
- Local communities

CHARTING OUR ROUTE

The turnaround initiatives are helping the Group navigate smoothly through the storm in the global automotive sector.

Tata Motors Limited – Turnaround 2.0

Managing the slowdown by doing it right

Agile response to short-term developments in the operating environment while being relevant for the long term is key to the 'turnaround' philosophy of TML. The emphasis is on allocating resources and managing the outcomes, while ensuring alignment to the 'turnaround' strategy.

The Turnaround 2.0 strategy was launched in FY19 to drive Competitive, Consistent and Cash-accretive growth. While TML has undertaken robust turnaround actions, it continues the journey by: emphasising operational efficiency using common platforms; initiating cost reduction and capex rationalisation programmes; leveraging on developments in EV markets; and launching a new BSVI portfolio that offers exciting features and delivers an enhanced value proposition.

TML is focused on activating retail sales for both CV and PV segments, requiring close coordination with dealers in managing stocks. Through such focused action plans, smooth transition into BSVI was achieved. Key priorities include enhancing retail sales, efficiently managing dealer network inventories and improving dealer performance, profitability and network expansion.

Commercial vehicles

The CV industry faced significant headwinds in FY20 on account of economic slowdown, liquidity stress, stock correction due to BSVI transition and the COVID-19 pandemic towards the year-end.

During the year, TML presented 14 all-new BSVI range of products across segments at the Auto Expo 2020, covering sub-1 tonne to 55 tonne GVW, with 140+ type approvals and 19 engines (including alternate fuel options), thus providing a vast array of product offerings to its customers. TML showcased the Tata 4/12 m low floor entry electric bus – the first full-electric drivetrain. The Tata Ultra T.7 Electric was also on display, as India's first-ever intermediate commercial electric truck.

In order to achieve complete customer satisfaction and sustain the same throughout the lifecycle of the vehicle, a revamped Sampoorna Seva 2.0 was launched, offering a comprehensive and complete solution for the maintenance and smooth functioning of the vehicles.

Overall, CV domestic sales in FY20 were lower by 33.4% compared to FY19. Retail sales in FY20 were higher than wholesale sales by 16%. As a result, the BSIV inventory in the ecosystem was near zero.

Win decisively in CV

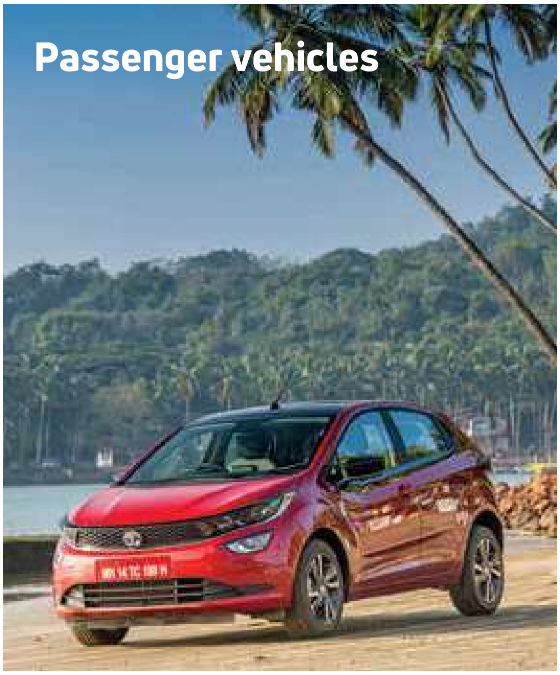
- Business Continuity Plan (BCP) development and deployment across all channel partners and subsidiaries
- Enhanced customer engagement to identify growth pockets and increase focus on the non-vehicle business
- Extensive stakeholder collaboration to understand their concerns and explain the BSVI portfolio
- Rigorous reduction of direct and indirect costs as well as cash conservation, and increased quality focus
- Support for temporary workforce and stranded drivers through channel network
- Training and upskilling of employees and dealers

CV sales ('000 units)

DOMESTIC WHOLESALE	DOMESTIC RETAIL	EXPORTS
312.3	361.0	29.7

Tata Motors Limited – Turnaround 2.0 Contd.

Passenger vehicles



FY20 was a challenging year for the PV business. Demand was affected due to uncertainty in the minds of customers because of the pending transition from BSIV to BSVI, the liquidity crisis after the IL&FS debacle, and rising cost of vehicle ownership, among other reasons. The COVID-19 pandemic further affected demand and supply negatively in the last quarter.

TML undertook multiple actions to reduce the impact, including the entry into the rapidly expanding premium hatchback segment with the Altroz, the launch of the NEW FOREVER range of PVs, the paradigm shift in the strategy from offtake to retail and the emphasis on improving customer experience. As a result, TML introduced 'Click to drive', an end-to-end online sales experience, enabling customers to buy the car of their choice, with a click of a button, from the comfort of their homes.

Overall, PV sales were lower by 37.3% and retail sales were higher than wholesale sales by 13%. This helped in significantly reducing the inventory in ecosystem to near 13,000 units (all BSVI vehicles), with no BSIV inventory remaining at the year-end.

Setting new benchmarks for safety in India

5-STAR Global NCAP rating

ATTAINED BY ALTROZ IN 2020 AND NEXON IN 2018

4-STAR Global NCAP rating

ATTAINED BY TIAGO AND TIGOR IN 2020

Win sustainably in PV

MILESTONES TO ACHIEVE

- Drive sales to achieve double-digit market share on the back of strong products, while strengthening margins
- Strengthen operating cash flow by bringing structural corrections in variable and fixed costs
- Expand and strengthen product portfolio for growth with internal accruals and potential partnership

REIMAGINING PV

- Create highly energised retail focused sales and dealerships team
- Drive the twin objectives of growth and network profitability by redefining dealer systems and HR practices
- Continue offering a refreshed portfolio to remain relevant and competitive in the market
- Digitally transform the front end to enhance user experience, customer connect and reach
- Lead with exemplary after-sales customer experience
- Strengthen the Tata Motors brand positioning to make it aspirational for our customers

PV sales ('000 units)

DOMESTIC WHOLESALE	DOMESTIC RETAIL	EXPORTS
131.8	148.8	1.5

E-mobility is an irreversible megatrend, given the imperative to improve the pollution profile and energy security for India. TML is looking at the EV business as a strategic opportunity to establish itself as a strong player in the new and evolving PV Industry. TML has developed a comprehensive approach to address the barriers and 'win proactively in the e-mobility space.

TML showcased the largest portfolio of EVs in India at the Auto Expo 2020. TML launched the Tigor EV+ with 213 km range, which has received a strong market response. It also happens to be the highest selling EV in India.

In January 2020, TML launched the Nexon EV, powered by the state-of-the-art EV technology 'ZIPTRON', a high voltage, high performance technology designed specifically for Indian conditions by leveraging TML's global engineering network. Aspirational yet accessible, the Nexon EV has become the highest selling electric car in Q4 FY20. Key highlights of ZIPTRON include a zippy driving experience, long range, fast charging capability, eight years of battery and motor warranty, and IP67 waterproof and dustproof rating.

Going forward, TML will continue to explore and target multiple customer groups to increase its presence in the evolving EV industry.

Win proactively in EV

Tata UniEVerse
TML has launched an EV ecosystem, the Tata UniEVerse, to closely leverage the strengths and experience of other Tata group companies to create a viable environment to drive the adoption of EVs in India. Key elements of the ecosystem include charging solution, supplier base for EV components, vehicle financing and mobility service providers.

Charging solution
TML has partnered with Tata Power to proactively address the challenge of charging. Both companies decided to work together to provide a suite of charging solutions for homes and workplaces and for captive and public charging.

Supplier base for EV components
In its attempt to build the component supplier ecosystem, TML collaborated with Tata Chemicals for manufacturing lithium-ion battery cells, exploring active chemicals manufacturing and battery recycling. TML has also collaborated with Tata AutoComp for the localisation of battery pack assembly and motor assembly.

Vehicle financing
For attractive financial solutions for both fleet and personal segments, TML has partnered with Tata Motors Finance and Tata Capital to introduce affordable financing solutions.

Digital experience
Tata Croma stores are hosting a store-in-store concept to provide an immersive digital experience for the Nexon EV.

New EV products

TIGOR EV

RANGE

213 KM

FAST CHARGING TIME

2 HOURS

NEXON EV

RANGE

312 KM

FAST CHARGING TIME

1 HOUR

Tata Motors Limited – Turnaround 2.0 Contd.

Manage challenges

- Securing growth through reimagined CV and PV strategies
- Securing cost optimisation to the tune of ₹1,500 crore
- Securing cash by driving capex and working capital savings to the tune of ₹4,500 crore and obtaining funding worth ₹4,000 crore

LEADING THROUGH THE CRISIS

TML continues to engage with stakeholders, including customers, suppliers and employees during the crisis. Operations were restarted with limited, essential staff in each plant, adhering to all mandated safety norms while efficiently meeting operational requirements. TML will scale operations in a graded manner, as the entire enabling ecosystem of suppliers, vendors, dealers and customers comes up to speed. TML is cautiously optimistic and staying agile to cater to an evolving demand.

The lockdown was an opportunity to accelerate TML's digital journey and evolve new ways of working, while servicing and supporting customers. By mid of May 2020, over 400 sales outlets and 885 workshops for CVs and nearly 200 dealerships and 300 workshops for PVs had begun operations with a new set of Standard Operating Procedures (SOPs) defining minimal interactions and maintaining prudent social distance while engaging with customers. In the recent weeks, customers have initiated new bookings, deliveries of PVs have commenced and workshops are seeing an increasing inflow of vehicles for servicing.

All discussions with customers are being done virtually using digital tools and any meetings, if necessary, are being conducted with prior appointments and post verification of all requirements. Documents for vehicle insurance and registration are being collected via mail or specially installed drop boxes, and vehicle deliveries are being done only after all formalities are completed. Customer vehicles arriving at workshops for repairs and servicing too are completely sanitised before being handed over post service. In the case of test drives, limited persons are allowed on board and the vehicle is fully sanitised, including replacing the protective covers shielding the interiors of the vehicle.

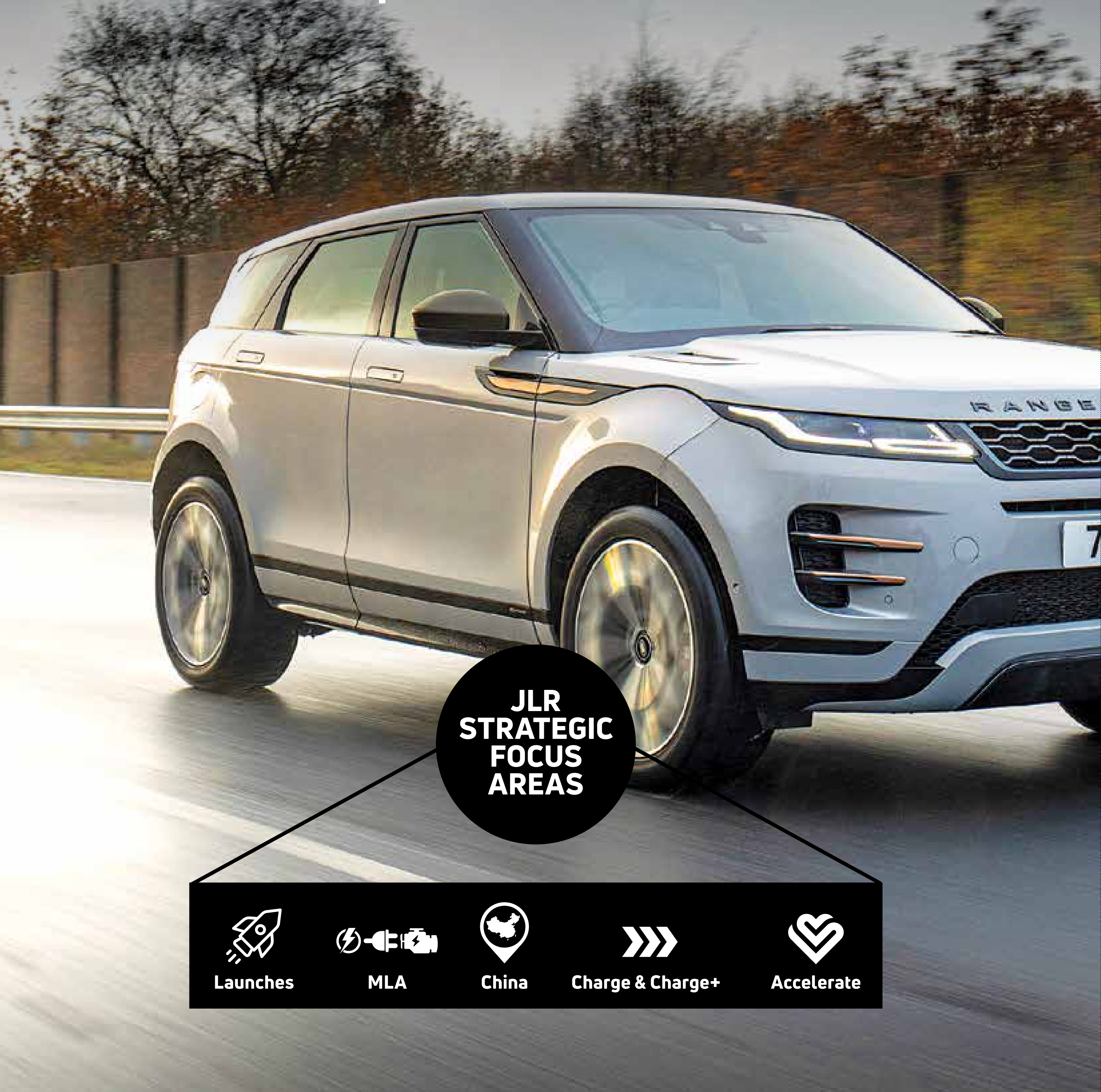
For its CV customers, TML extended all possible technical support to keep vehicles running during the lockdown. Additionally, timelines of vehicle warranty, free services and Tata Suraksha AMC have also been extended.

Outlook

TML is a flagship of the Tata group and enjoys full promoter support. With the Turnaround 2.0 plan, TML is confident that it is on the right track for achieving its mid- to long-term plans. TML remains committed to Consistent, Competitive and Cash-accretive growth and intends to outperform the market by activating its exciting BSVI product range. TML will sharpen its focus on customer engagement in the CV business and on front-end activation in the PV business. TML is gearing up to 'Win decisively' as the consumer demand recovers.

Jaguar Land Rover – Transformation

Continuing to focus on five fundamental priorities



Launches

JLR continues to execute its product and technology plans, including the start of the new Land Rover Defender sales and the launch of Range Rover Evoque and Land Rover Discovery Sport plug-in hybrids (with a new three-cylinder Ingenium engine).

JLR also continued to update its existing model range with industry-leading design and technology, including the latest infotainment systems and full-battery electric and hybrid propulsion. The new Land Rover Defender is the embodiment of the innovative spirit of JLR, featuring the groundbreaking Pivi Pro infotainment system and SOTA updates, ensuring ultimate connectivity and enabling customers to benefit from the latest software, wherever they are in the world.

Read more about JLR's new product launches on Page 14.

Modular Longitudinal Architecture (MLA)

JLR's family of Ingenium petrol and diesel engines are based on a modular, flexible and scalable all-aluminium design with a choice of three-, four- and six-cylinder engines that also support mild and plug-in hybrid propulsion technology. JLR will begin the roll-out of its next-gen MLA across its product portfolio in the coming year. This flexibility and scalability supports the transformation of JLR's business with more streamlined engineering and manufacturing processes and increased commonality across its model range, with the aim of improving quality, reducing cost and increasing operational efficiency.

China

As a part of the Transformation strategy, China continues to be a key focus area and the JLR management is taking right actions to deliver on achieving volumes growth and profitability.

Jaguar Land Rover – Transformation Contd.

Projects Charge & Charge+

The automotive industry continued to experience challenges in FY20, with the outbreak of the COVID-19 pandemic, tariff and trade tensions, Brexit uncertainty and rapid technological changes relating to electrification, automation and connectivity, as well as a more stringent regulatory environment and continuing decline in the demand for diesel-powered vehicles.

As a result, JLR's financial performance has been adversely impacted, but the business responded with decisive action through Project Charge, which had already exceeded its £2.5 billion target, delivering £2.9 billion of costs, profitability and cash flow improvements through FY19 to Q3 FY20.

With the remarkable success of Project Charge, JLR launched Project Charge+. Cash and cost savings to the tune of £600 million were achieved through Project Charge+ in Q4 FY20 and the total cash and cost savings targets through Projects Charge and Charge+ have been revised to £5 billion.

£3.5BN
CUMULATIVE CASH AND COST IMPROVEMENTS DELIVERED BY CHARGE AND CHARGE+, INCLUDING £2.2BN IN FY20

£5BN
CUMULATIVE CASH AND COST IMPROVEMENTS TARGETTED TILL FY21, THROUGH CHARGE AND CHARGE+

Project Charge+

While focusing on the existing portfolio, there are eight key levers that Project Charge+ will depend on to deliver value and sustain the business improvement.

- **LEVERAGE MOST PROFITABLE VEHICLES**
- **OPTIMISE MARKET PERFORMANCE**
- **LOWER WARRANTY COSTS**
- **IMPROVE CURRENT CAR RETURNS, WITH FOCUS ON MATERIAL COST**
- **GROW AFTER-SALES BUSINESS**
- **MINIMISE OVERHEAD COST BASE**
- **MAINTAIN INVENTORY DISCIPLINE**
- **REDUCE INVESTMENT SPEND**

Vehicle and market profitability | Overheads | Working capital | Investment

Project Accelerate

Accelerate is aimed at addressing the fundamental challenges that will ensure JLR's sustainable and successful future.

ON-TIME, QUALITY PROGRAMMES

- Optimise resource planning
- Drive consistency and commonality within the programme delivery process
- Step up risk and change management
- Mindset and process discipline
- Vendor collaboration and quality standards

DELIVERING COMPETITIVE MATERIAL COST

- 'Should Design' and 'Should Cost' with benchmarking
- Purchase lifecycle planning and sourcing
- Customer value-driven tech standards
- Make versus Buy

ENHANCE SALES PERFORMANCE

- Positioning, pricing and launch approach
- Customer-centric product and feature offerings
- Customer marketing effectiveness
- Customer service and quality perception
- Fix right first time – rapid diagnosis and issue resolution

Outlook

JLR anticipates that the challenges facing the auto industry will continue and that the impact of the COVID-19 pandemic is likely to continue impacting the business during Q1 FY21. However, JLR expects Project Charge+ and Project Accelerate and a strong pipeline of new and refreshed products to put it in the best possible place to withstand these challenges and fundamentally strengthen the business thereafter.

JLR is prioritising the conservation of cash and focused investments into key products. This is being done through demand-led production decisions, rigorous cost controls and a freeze on non-product non-critical spends.

Tata Motors Finance

Maintaining razor-sharp focus

One of the key value-driving aspects of the Tata Motors Group is Tata Motors Finance (TMF). Facilitating the financing process for customers and enabling the sales process, TMF plays a crucial role in supporting the sales of TML's vehicles.

For a market like India, where consumers are facing a liquidity crunch due to multiple reasons, TMF has played a key role in improving consumer experience with better financing options. With more than 270 branches across India, Tata Motors Finance is the largest financier of Tata Motors vehicles – both CV and PV.

TMF's mission statement has always been to realise our customers' dreams of owning Tata vehicles, which is also borne out in its customer segment covering the full spectrum of borrowers from first-time users and small business owners to fleet operators, dealers and vendors in the Tata Motors ecosystem. Drivers-cum-owners constitute a significant part of the CV segment. Many of TMF's customers belong to MSMEs. TML, along with TMF, works diligently to support under-banked customers and aims to help them in augmenting their earnings and improving their livelihood by offering financing solutions to own a vehicle for commercial use.

The year witnessed a slowdown in automobile industry with falling sales and piling inventory amidst an overall slowdown in the economy, hike in cost of acquisition and ownership because of increase in third-party insurance, upward revision of road and registration tax by state governments and a rise in fuel prices. Transition from BSIV to BSVI, low growth in rural wages, NBFC crisis impacting credit flow and the crippling impact of the COVID-19 pandemic from mid-March. As a result of which, FY20 disbursements slowed down by 32% to ₹15,029 crore. AUM as on March 31, 2020 stood at ₹36,881 crore, as compared to ₹38,311 crore in the year earlier. Collections were also impacted, leading to increase in Gross Non-Performing Assets (GNPA) by 250 bps to 5.1%. TMF's market share improved by 376 bps to 30%. PBT for the year grew by 21% to ₹149 crore as against ₹123 crore in FY19.

TMF realigned its strategy by taking the asset-light route. It meant disbursing in the form of financial warehousing, subsequently curating the assets for six months and then selling to market participants, which are mostly public and private sector banks. TMF continues to collect EMIs from original borrowers in the capacity of a collection agent for the assignee (bank). During the year, TMF securitised/assigned ₹9,325 crore worth of financial assets.

TMF revisited its organisation structure to create a fit-for-future customer-centric entity focused on digitisation and operating efficiencies. As a result of which, cost to income ratios declined from 65% in FY19 to 49% in FY20.

While FY20 remained a difficult year for most NBFCs, from a liquidity standpoint, TMF managed to maintain a comfortable liquidity position during the year and diversified its liability franchise by raising External Commercial Borrowings (ECB) of US$250 million (including US$100 million from the IFC), establishing fresh limits with SIDBI and MUDRA, and establishing new relationships with multinational banks like ANZ, Barclays, DBS, CTBC and KDB.

AUM

₹36,881CR

MARKET SHARE

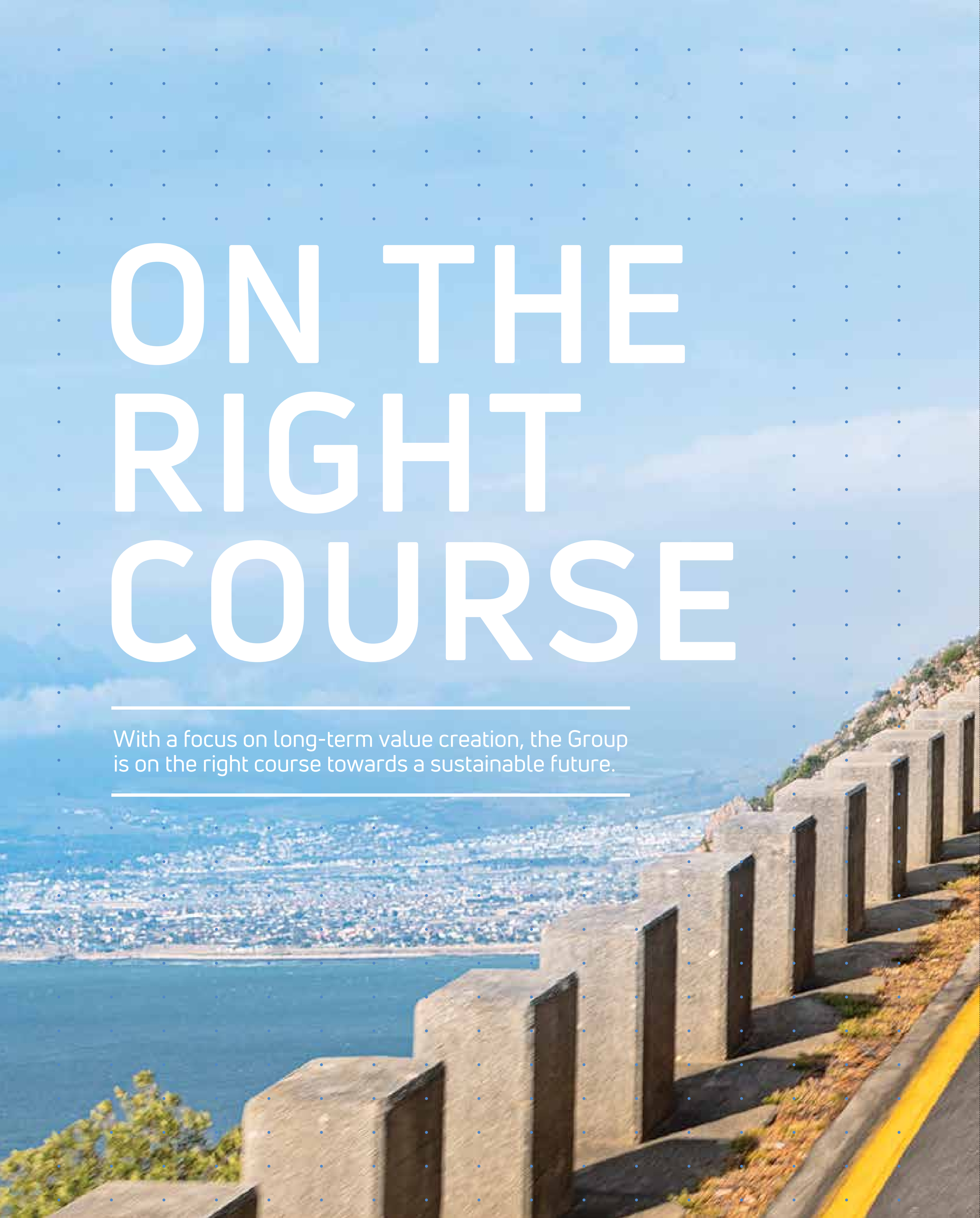
30%

PROFIT BEFORE TAX

₹149CR

ON THE RIGHT COURSE

With a focus on long-term value creation, the Group is on the right course towards a sustainable future.




DISCOVERY
VCC 116

Sustainability Focus

Shaping a responsible business

The Tata Motors Group believes that long-term value creation for our business is closely associated with our sustainability performance (covering the Environment, Social and Governance aspects). For addressing the various sustainability material issues, we adopt a 'multiple-capitals' approach, which helps us in understanding the dependencies and impacts of our business on various resources and relationships.

Focus areas of TML

ENVIRONMENT

- Reducing energy consumption and GHG emissions
- Achieving circular economy and resource efficiency
- Monitoring water sourcing practices and reducing water consumption at plants and across the value chain

SOCIAL

- Engaging with the network of suppliers and dealers and raising awareness on ESG aspects, health and safety parameters and technical factors
- Ensuring employee health and safety
- Providing a diverse and inclusive workplace
- Empowering communities with interventions in health, education, skill development and rural development, among others

GOVERNANCE

- Ensuring compliance by introducing supportive policies and appropriate monitoring systems

Industry recognition

- Ranked among the top 10 companies at the Responsible Business Rankings 2019
- Emerged as a 'Leader' according to the benchmark report by the Global Child Forum & Boston Consulting Group titled 'The State of Children's Rights and Business 2019'
- Selected on DJSI 2019
- Received the Golden Peacock Occupational Health & Safety Award 2019

Focus areas of JLR

ENVIRONMENT

- Embracing circular economy, by reducing and recycling waste as much as possible and progressing towards its vision of zero emissions and waste
- Advancing environmental innovation and systematically reducing environmental impact, by assessing its footprint across the whole lifecycle and value chain of products

SOCIAL

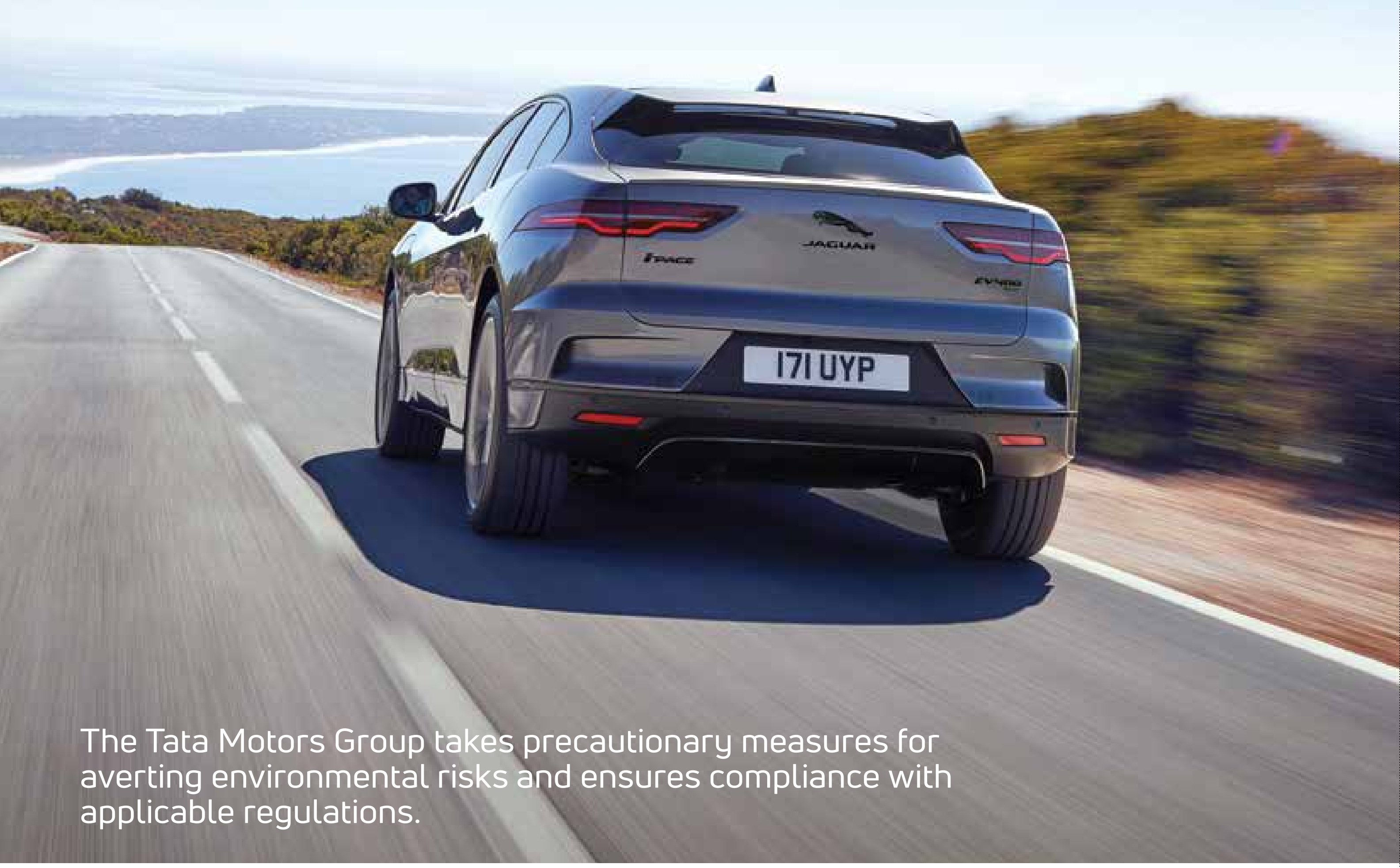
- Developing technology for good, by channelling talent, ideas and innovation to use technology to drive improvements and tackle some of the key challenges facing society – from pollution and climate change to the revolution in mobility
- Enhancing education, skills and well-being, by attracting, retaining and developing the very best talent, while also supporting inclusion and diversity throughout the business
- Creating value beyond boundaries, by cultivating an ethos of 'giving back', supporting global economies and building a sustainable, resilient supply chain

GOVERNANCE

- Ensuring effective governance is in place to deliver JLR's core values, as this is the foundation on which it manages and controls its business and provides the platform for sustainable profitability

Environmental Responsibility

Moving towards a sustainable future



The Tata Motors Group takes precautionary measures for averting environmental risks and ensures compliance with applicable regulations.

Guided by the Group's strategic priorities, the automotive businesses have taken several measures at all their manufacturing sites. They are also strongly focused on product innovations that improve eco-efficiency of the vehicles' operational life.

TML in India drives all its initiatives on sustainability under the guidance of the Board committee on Safety, Health and Sustainability (SHS). All its operations are uniformly guided by the Tata Code of Conduct, which encompasses the principles of Reduce, Recycle, Recover and Refurbish. The Safety, Health and Environment (SHE) Councils at the business level, supported by the SHE Apex Committee at the plant level, are responsible for reviewing the performance every month. All TML plants are responsible for the implementation of energy, environment, and occupational health and safety management programmes.

JLR's Destination Zero mission for zero emissions, zero accidents and zero congestion is built on the solid foundations of a longstanding commitment to the environment and society. Today's industrial revolution is driven by waste reduction, decarbonisation, improving air quality, increasing automation and advancing technology. JLR plans to use resources responsibly to help build a better society and a cleaner environment – and in doing so, drive sustainable, profitable growth.

Capital interlinkage:

Energy and GHG emissions management

The automobile industry is energy intensive and the associated GHG emissions make it extremely important for our Group companies to chart out a long-term plan for minimising emissions and combatting climate change.

Tata Motors Limited

Energy conservation measures have been undertaken across the seven manufacturing plants of TML. They comprise process improvements, instrument replacements, and installation of energy efficient equipment, among others.

Please refer to Principle 6 in the Business Responsibility Report on Page 169 and Annexure 3 on Page 81 for a more detailed account of TML's energy conservation initiatives.

Energy efficiency FY20

SCOPE 1

ABSOLUTE EMISSIONS (tCO_2)	SPECIFIC EMISSIONS (tCO_2/VEHICLE)
60,533	0.13

SCOPE 2

ABSOLUTE EMISSIONS (tCO_2)	SPECIFIC EMISSIONS (tCO_2/VEHICLE)
2,66,200	0.56

SCOPE 3

PURCHASED GOODS AND SERVICES[1] (tCO_2)	FUEL AND ENERGY RELATED (tCO_2)	UPSTREAM TRANSPORTATION & DISTRIBUTION (tCO_2)	BUSINESS TRAVEL (tCO_2)
3,77,590	77,073	16,342	8,865

EMPLOYEE COMMUTING (tCO_2)	USE OF SOLD PRODUCTS[2] (tCO_2)	FRANCHISES (tCO_2)	UPSTREAM LEASED ASSETS[3] (tCO_2)
11,286	26,44,749	2,155	2,801

[1] This includes the emissions from supply chain and embedded emissions of raw materials. For the first time, embedded emissions from raw materials have been reported.

[2] Emissions from PVs.

[3] For the first time, the emissions from Company offices other than plants have been reported, covering around 37% of TML's leased properties.

Environmental Responsibility Contd.

Jaguar Land Rover

JLR continues to purchase 100% REGO Renewable Energy Guarantee of Origin (REGO)-backed zero carbon electricity for all core UK operations. In addition, energy-saving projects such as solar panels and LED lighting have made consistent reductions in actual consumption. JLR also uses renewable-generated electricity across its facilities in Slovakia, Brazil and Austria.

In September 2019, JLR unveiled world-leading facilities at its Gaydon site in Warwickshire, building one of the UK's most sustainable non-domestic buildings and the country's largest automotive creation and development centre.

The Gaydon site forms an integral part of JLR's Destination Zero mission and up to 20% of the energy to run its new Advanced Product Creation Centre comes from 2,800 m^2 of photovoltaic solar panels on the roof. The remainder of the site's electricity is derived from 100% renewable sources.

In the UK, JLR's operating CO_2 emissions are down 71% versus a baseline taken in 2007, and this includes the purchase of REGO-backed electricity. Moreover, the average amount of energy used to build one of JLR's vehicles has reduced by 33% since 2007.

Achieving carbon neutrality

A landmark of JLR's Destination Zero journey is achieving and maintaining its carbon neutral status. The culmination of a long-term environmental management plan launched in 2009, JLR was certified on January 31, 2020 as achieving carbon neutral operations for the second consecutive year by the Carbon Trust. This official recognition confirmed that business operations met the internationally recognised PAS 2060 standard between April 2018 and March 2019 across JLR vehicle manufacturing assembly operations, engine manufacturing and product development sites in the UK.

ENERGY USE AND EMISSIONS

In line with the UK government's Streamlined Energy & Carbon Reporting (SECR) framework, the table below shows JLR's UK operational energy and carbon footprint. This represents 71% of JLR's manufacturing volume for FY19. The CO_2e is calculated with a location-based approach using the UK average grid intensity conversion factors (2019). However, JLR continues to purchase 100% renewable REGO-backed zero carbon electricity for all core UK operations.

UK operations FY20

Energy consumption used to calculate emissions (kWh)	1,27,49,98,136
Emissions from combustion of gas tCO_2e (Scope 1)	1,35,999
Emissions from combustion of fuel (Scope 1)	10,734
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	2,640
Emissions from purchased electricity (Scope 2 location-based)	1,23,568
Total gross CO_2e based on above	**2,72,941**
Intensity ratio (tCO_2e/£ million)	11.87

Note: Data is compiled for UK locations in accordance with GHG protocols for finance control.

Continuing to drive environmental performance

In 2019, JLR achieved certification to the latest ISO 14001 Environmental Management Standard. After being one of the first automotive companies to receive the certification back in 1998, Britain's biggest car maker has been quick to meet the challenge of the latest globally recognised certification.

Alongside the introduction of electrified powertrains including MHEV, PHEV and the world's first premium SUV BEV – the Jaguar I-PACE – the wider workings of the JLR management system have been perfected to achieve the ISO 14001 standard. One of the most impressive advances has been in the area of carbon emissions.

11 JLR sites have been awarded the ISO 14001 standard: Castle Bromwich, Halewood, Solihull, Wolverhampton, Fen End, Oxford Road, Gaydon and Whitley in the UK, Itatiaia (Brazil), Nitra (Slovakia) and China.

Environmental Responsibility Contd.

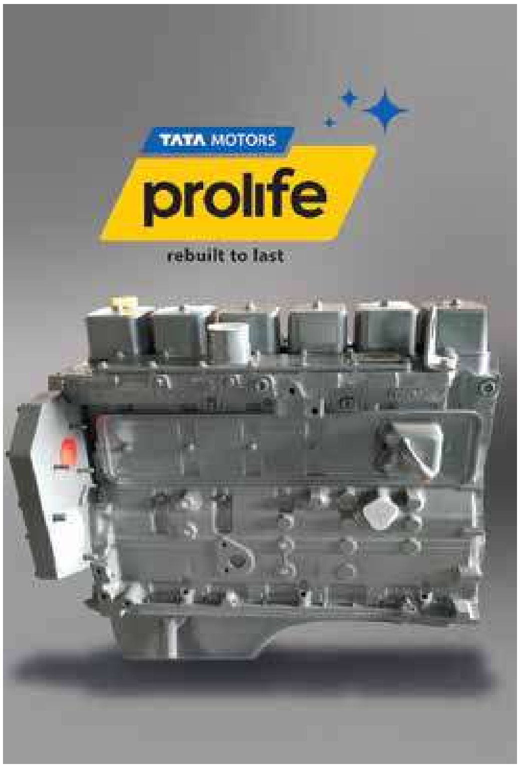
Circular economy and resource efficiency

Automobile manufacturing is a resource-intensive process and uses a variety of materials. The Tata Motors Group has undertaken several initiatives to capitalise on the opportunities provided by circular economy. Our Group companies have been closely associated with research and innovation in this space. The initiatives range from lifecycle analysis, innovation and alternate materials to recycling and reuse, among others.

Tata Motors Limited

TML in India has been working on the three major pillars of reduce, reuse and recycle to minimise waste and increase resource efficiency.

Apart from innovative initiatives to minimise waste generation, TML ensures that waste disposal and recycling practices are as per the applicable regulations, through authorised agencies.



Rethinking business for a circular economy

The Tata Prolife business division remanufactures auto components that have reached the end of their useful life. Aimed at CV owners, Tata Prolife extends the life of engine long blocks through systematic overhaul that leads to optimum performance while also adding to the life of the products.

In FY20, an equivalent of 33,615 engines were reused or recycled under TML's take-back programme. There has been a consistent increase in the number of equivalent engines remanufactured every year. A 5% improvement was observed in the reporting period over the previous year, resulting in revenue generation of ₹247 crore.

Remanufacturing of an engine not only has significant economic benefits, but also has great positive sustainability impact. Various resources, such as raw materials, energy and water, which are required for manufacturing a new engine are eliminated or significantly reduced.

The Tata Prolife business has also created new business and employment opportunities, thus bringing about positive social impact.

TOTAL MATERIAL SAVED DUE TO RECYCLING AT PROLIFE

3,760.1 TONNES

GHG EMISSIONS AVOIDED DUE TO REMANUFACTURING OF 6BT AND ACE ENGINES AT PROLIFE

8,923.7 tCO_2

Jaguar Land Rover

As an early adopter of circular economy principles, JLR has long recognised that 'take, make, waste' processes threaten the availability of natural resources and the materials upon which it depends. JLR aims to do more by closing the loop on precious materials, recycling and reusing waste and materials wherever it can. Investing in new environmentally friendly technologies and processes is a vital part of JLR's business practice.

JLR's long-term goal is to partner with key innovators to support recycled material, while still maintaining high standards of safety and quality. JLR is working with the German chemical company, BASF, to pilot research around an innovative recycling process that will convert plastic waste into a new premium grade material that could feature in future vehicles.

SHARE OF RECYCLED CONTENT IN JLR'S ALUMINIUM ALLOY

UP TO 75%

Giving aluminium a second life

Aluminium is a key component of JLR's manufacturing process and vehicle design. JLR's latest project, REALITY, builds on longstanding work, such as 2016's REALCAR initiative, finding pioneering ways to recover aluminium from end-of-life vehicles to build next-gen models. REALITY aims to recover post-consumer aluminum from sources, including end-of-life vehicles, to reform it into a new high-grade aluminium to create new vehicles.

The process is currently being tested on early, pre-production Jaguar I-PACE prototypes that have had their batteries safely removed. These batteries enter into their own second-life process that JLR is developing, while the scrap from the vehicles is sorted into various materials using high-tech sensors by Axion Recycling. Once separated, the aluminium scrap could then be melted, their quality analysed, blended and reformed into a new aluminium alloy.

With this project, Jaguar Land Rover expects to reduce the CO_2 impact of production while reducing the amount of virgin aluminium required to produce vehicles.

Between September 2013 and January 2019, around 3,20,000 tonnes of closed-loop scrap were processed back into the brand's lightweight aluminium intensive architecture, across all vehicle lines, including the Jaguar XE.

Social Responsibility

Making collaboration an imperative for social change

At the Tata Motors Group, we believe that we are an integral part of the society and play a crucial role in providing mobility solutions to our customers, employment avenues to the communities where we operate and better opportunities for the society to prosper.

Value chain

We believe that, to realise the true essence of sustainability, it needs to be integrated not only in our own operations but also across our value chain. We rely on a huge network of suppliers and dealers, and regularly engage with them on a wide range of sustainability issues pertaining to upstream and downstream supply chain activities.

A significant part of our supply chain comprises technology-driven energy-intensive suppliers. Continuous efforts are undertaken to increase energy efficiency, reduce carbon emissions, implement rain water harvesting and utilise more renewable energy.

Capital interlinkage:

Tata Motors Limited

SUSTAINABLE SUPPLY CHAIN INITIATIVE

TML's Supplier and Dealer Codes of Conduct ensure ethical and sustainable practices across the value chain. TML has developed vendor parks at new manufacturing locations to ensure logistics emissions reduction and to enhance local employment.

TML initiated a systematic and phase-wise implementation of the Sustainable Supply Chain Initiative in FY17. It began by shortlisting its suppliers based on ESG criticality. It then developed sustainability guidelines, conducted capacity building workshops and on-site sustainability assessments of suppliers. Learnings were shared with all the suppliers and they were rewarded and recognised for demonstrating improvement in sustainability performance. As part of the initiative, TML covered a cumulative of 358 suppliers, 52 in FY17, 66 in FY18, 115 in FY19 and 125 in FY20.

32
SUPPLIERS REDUCED ENERGY CONSUMPTION AND GHG EMISSIONS

27
SUPPLIERS USE RENEWABLE ENERGY

34
SUPPLIERS REDUCED FRESHWATER CONSUMPTION

358
SUPPLIERS COVERED UNDER THE SUSTAINABLE SUPPLY CHAIN INITIATIVE

DEALERS SUSTAINABILITY INITIATIVE

Taking a step further, TML extended this initiative to its downstream channel partners and authorised service stations in FY19, to integrate sustainability into their business practices. TML developed sustainability guidelines and conducted capacity building workshops for dealers across different locations in India. The guidelines cover topics related to Tata Code of Conduct, management system certification, transparency and reporting, occupational health and safety, labour and human rights. TML has developed data templates and conducted sustainability site assessments of channel partners and authorised service stations.

TML's dealers are an interface between the Company and the customers. As a part of the Dealers Sustainability Initiative, TML is promoting safe driving practices and eco-driving habits among its channel partners, customers and fleet owners.

237
CHANNEL PARTNERS COVERED UNDER CAPACITY BUILDING WORKSHOPS

67
DEALERS ASSESSED

Rainwater harvesting at Ramkrishna Forgings Limited, Jamshedpur

97,125 M^2
TOTAL PLANT AREA

1,103 MM
AVERAGE RAINFALL IN A YEAR

37,127 M^3
RAINWATER COLLECTED FROM ROOFTOPS

13,175 M^3
RAINWATER COLLECTED FROM SURFACE RUN-OFF

50,302 M^3
TOTAL RAINWATER COLLECTED IN THE YEAR

Jaguar Land Rover

Close collaboration with its suppliers is vital to the success of JLR. It adopts a partnership approach with suppliers to maintain sustainable, resilient supply chains wherever it operates.

In the UK, with the help of its partners, JLR is building its Midlands Ecosystem and linking it to JLR's wider network of business supplier partners across the world.

JLR is working with the CDP (formerly known as the Carbon Disclosure Project) to look at supply chain impact. Understanding suppliers' carbon emissions helps plan further cuts. As part of this endeavour, all of JLR's tier one suppliers embed sustainability into their operations and hold an environmental management system certified to ISO 14001 or equivalent.

Social Responsibility Contd.

Employees

Health and safety

We regard occupational safety and health as an integral part of our operations and make it a prime consideration in every decision we make. We comply with all regulatory health and safety norms by assessing risks, providing controls for health and safety hazards and conducting audits.

The Tata Motors Group is continuously monitoring the evolving COVID-19 pandemic closely and responding appropriately in accordance with relevant government requirements.

Tata Motors Limited

SAFETY TRAINING

Training and capability building continues to be considered a key element of TML's safety processes. Aspects such as safety management fundamentals, incident investigations, contractor and vendor safety management, Actions Employees Can Take (AECT) and safety standards, among others, have a bearing on TML's training programmes for all employees, contractors and vendors.

TML achieved 6.3 training person-hours per employee and 8.1 training person-hours per contractor in FY20 across seven manufacturing plants.

TML continued to undertake the following safety campaigns during the year:

- Road Safety Month (observed in February 2020 with the theme 'Road Safety is Life Safety' and included road safety celebrations across all plants, offices, dealerships, warehouses and vendors)
- National Safety Month (observed in March 2020 with the theme 'Enhancing Health and Safety Performance by Use of Advanced Technologies')

TML safety performance FY20

Employees + Contractors	Male	Female	Total
Lost time injuries (Nos.)	12	0	**12**
Lost time injury frequency rate including fatalities (per million person-hours)	0.09	0.00	**0.09**
Total recordable cases (Nos.)	61	1	**62**
Total recordable cases frequency rate (per million person-hours)	0.43	0.07	**0.39**
Person-days lost (Nos.)	1,581	0	**1,581**
Occupational disease rate (if applicable – disease due to stress and work environment)	0.00	0.00	**0.00**

ZERO
FATALITIES IN FY20

Jaguar Land Rover

COVID-19 RESPONSE

As countries are relaxing lockdown guidelines and retailers are reopening around the world, JLR has gradually resumed production across most of its plants in the UK, Slovakia and Austria since May. The plant in China has been in operation since late February.

Employee health and well-being is JLR's first priority. JLR has, therefore, developed robust protocol and guidelines to support a safe return to work. Effective social distancing and hygiene and health monitoring measures are in place following an extensive review of all production lines, engineering facilities, office areas and communal spaces. The safety measures undertaken include temperature checks with thermal cameras, a two metre distance between people wherever possible, provision of Personal Protective Equipment (PPE) where social distancing is not possible, introduction of one-way systems and enhanced cleaning at the plants. In addition, every employee is offered a reusable face visor made by JLR.

A safe pair of hands for workers

JLR engineers have developed on the next generation of protective workplace clothing – a lightweight 3D-printed glove that could help better protect employees from the threat of a musculoskeletal disorder. The 3D glove is designed for people working on the production line, for example, those required to fit clips or fasteners into the chassis during the assembly of Jaguar and Land Rover's luxury vehicles.

For employees	Male	Female	Total
Lost time injuries (Nos.)	2	0	**2**
Lost time injury frequency rate including fatalities (per million person-hours)	0.03	0.00	**0.03**
Total recordable cases (Nos.)	46	2	**48**
Total recordable cases frequency rate (per million person-hours)	0.51	0.17	**0.48**
Person-days lost (Nos.)	332	0	**332**
Occupational disease rate (if applicable – disease due to stress and work environment)	0.00	0.00	**0.00**

For contractors	Male	Female	Total
Lost time injuries (Nos.)	9	0	**9**
Lost time injury frequency rate including fatalities (per million person-hours)	0.17	0.00	**0.16**
Total recordable cases (Nos.)	14	0	**14**
Total recordable cases frequency rate (per million person-hours)	0.26	0.00	**0.25**
Person-days lost (Nos.)	1,249	0	**1,249**
Occupational disease rate (if applicable – disease due to stress and work environment)	0.00	0.00	**0.00**

Social Responsibility Contd.

Employee learning and growth opportunities

As one of the pioneers of the Indian automotive industry, we have set benchmarks in terms of design, technology and sustainability due to our hardworking and dedicated task force. We provide a training platform to our staff that enhances their skill sets and pushes them to their limits. The Learning Advisory Council (LAC) regularly assesses the value of learning offered as well as designs, implements and reviews the learning agenda for employees.

Tata Motors Limited

TML has established functional skill training at each plant to enhance the skill sets of blue-collar employees. TML has also deputed a National Employability Enhancement Mission (NEEM) agent to initiate training and enhance the knowledge of employees. By monitoring the improvement in the performance index and the knowledge index, TML assesses the effectiveness of the training and skill development exercise.

A dedicated Chief Learning Officer is responsible for managing the skill development and training needs of TML's white-collar employees by way of an academy concept. The specific training needs are assessed By monitoring the inputs from People Managers on leadership behaviour and various sessions with managers on strategy and technology. Learning is conducted in four major functional areas: Operational Excellence, Product Leadership, Customer Excellence and Management Education. TML assesses the effectiveness of the learning and skill development programmes through feedback on the trainings from participants, instructors, superiors and the programme evaluation process. The Learning Management System (LMS) platform manages the overall training and skill development.

During the year, TML conducted 4.65 average training person-hours for the male employees and 3.65 average training person-hours for the female employees.

Jaguar Land Rover

JLR's Employee Learning Scheme aims to promote lifelong learning for all employees, giving them the opportunity to acquire new skills and work on personal development in their own time. The scheme is comprehensive and diverse, including everything from language and computer courses, cookery and first aid, to driving lessons, painting, sports and DIY skills, among others. Through the Jaguar Land Rover Academy, JLR aims to provide inspiring and thought-provoking experiences to all its people, from apprentices to leaders.

£20MN

INVESTED EVERY YEAR IN LIFELONG LEARNING AND DEVELOPMENT FOR EMPLOYEES THROUGH THE JAGUAR LAND ROVER ACADEMY

Workforce diversity

The Tata Motors Group, an organisation of significant global aspiration, has embraced Diversity and Inclusion (D&I) at all levels as a strategy to move forward.

Tata Lead – the Tata group's D&I initiative – was launched in 2014. Gender diversity being the immediate area of focus, we responded by forming a diversity council at the apex and unit levels, which is tasked with increasing gender diversity in the organisation through various initiatives and actions. Our leadership tracks the results of these activities to measure progress and take corrective actions where needed.

Jaguar Land Rover

JLR is committed to creating an environment where everyone can flourish; where employees feel listened to, understood, supported and valued equally. JLR has a zero tolerance approach to racism and discrimination in any form, and is proud to champion racial equality in the workplace as the first UK car manufacturer to sign the Business in the Community 'Race at Work Charter'. The Jaguar Land Rover B.A.M.E network represents, advocates and supports the Black, Asian and Minority Ethnic members of the JLR family.

Further, as part of JLR's pledge to work even more closely with disabled people, it has joined The Valuable 500, a global movement dedicated to ensuring disability inclusion in business. JLR supports the growing number of active D&I employee-led networks with more than 1,500 members across them.

Tata Motors Limited

There are several programmes conducted at the group level as a part of the D&I initiatives. TML regularly participates by nominating high-potential women employees and senior leaders for these programmes. Additionally, TML's 'Women at Work' initiative encompasses programmes such as 'Second Careers, Inspiring Possibilities' that provides women with opportunities to return to work after a break, and 'GearUp' that equips women employees with desired skills and qualities for their next professional role.

TML has a comprehensive Human Resource (HR) policy framework, which includes maternity leave, sabbatical policy and flexible timings that help employees establish a work-life balance.

On prior approval of their managers, all permanent employees based out of corporate and commercial offices can avail the work-from-home facility. All women employees are entitled to 182 days of paid maternity leaves. TML has established creche facilities in Pune CV, Jamshedpur, Pantnagar and Lucknow.

For more details on TML's D&I initiatives, visit joinus.tatamotors.com/diversity-and-inclusion/

TML employee overview FY20

Total workforce strength	42,597
Permanent employees	27,892
Temporary employees	14,705
Women in the total workforce (Female: 2,465 and Male: 40,132)	5.78%
Women in all management positions, including junior, middle and senior roles	4.17%
Women in the first level of management positions	8.87%
Women in top management positions (at most two levels away from the CEO or comparable positions)	2.23%

Social Responsibility Contd.

Communities

Empowerment and well-being

The harmonious relation we share with communities in which we operate is possible due to the numerous community initiatives we undertake globally. We adopt a collaborative and participatory approach with communities/beneficiaries in conceiving and deploying Corporate Social Responsibility (CSR) projects.

Tata Motors Limited

HEALTH (AROGYA)

Arogya focuses on addressing malnutrition in children who are between 0-6 years of age. Apart from providing supplementary diet as well as supplements to malnourished children, Arogya works on preventive measures, such as enabling behavioural changes in communities, especially young mothers and parents, through awareness sessions, and providing ante-natal and post-natal services. In addition, curative healthcare services are undertaken, wherein the communities are serviced through diagnosis, administration of generic medicines and consultations. Access to safe drinking water is a concern that the Amrutdhara initiative seeks to address.

4,00,000
MEMBERS BENEFITTED FROM AROGYA

EDUCATION (VIDYADHANAM)

Vidyadhanam aims to bring holistic development in students at the secondary school level. The initiative follows a targeted approach to improve scholastic performance and infuse confidence among children. It institutes need-based provision of scholarships/financial support for financially challenged students; organises support classes for difficult subjects, value-based life skills, sports and other co-curricular activities; and plugs gaps in infrastructure at schools.

1,52,600
STUDENTS BENEFITTED FROM VIDYADHANAM

EMPLOYABILITY AND SKILL DEVELOPMENT (KAUSHALYA)

Kaushalya focuses on training unemployed youth in three segments, namely, auto trades, non-auto trades and agriculture and allied activities. In auto trades, the aim is to augment skills in driving and motors mechanics where TML, as an organisation, has domain expertise and business connect.

1,17,500
YOUTH AND FARMERS TRAINED THROUGH KAUSHALYA

ENVIRONMENT AWARENESS (VASUNDHARA)

Vasundhara makes 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.

1,17,464
SAPLINGS PLANTED THROUGH VASUNDHARA

91,000
PERSONS COVERED UNDER AWARENESS AND SENSITISATION CAMPAIGNS

RURAL DEVELOPMENT

Rural development programmes adopt an integrated village development approach. One key element is to leverage the resources from the Union and state governments by converging with relevant public schemes. For instance, TML has collaborated with Sahabhag, the CSR cell of the government of Maharashtra to improve the quality of life of the 3,000 tribal communities of the Pathardi gram panchayat in Jawhar block of Palghar district, where 70% of the resources for village development has come from the government.

AFFIRMATIVE ACTION (AADHAAR)

Aadhaar is aimed at serving traditionally disadvantaged communities, such as Scheduled Castes (SC) and Scheduled Tribes (ST), with a focus on the 4Es: Education, Employability, Entrepreneurship and Employment.

37%
BENEFICIARIES OF CSR INITIATIVES FROM SC/ST COMMUNITIES

Please refer to Annexure 2 on Page 78 for a more detailed account of TML's CSR activities and the Annual CSR Report 2019-20, available on www.tatamotors.com.

Jaguar Land Rover

PARTNERSHIP WITH RED CROSS

In 2019, Land Rover and the International Federation of Red Cross and Red Crescent societies (IFRC) forged a new three-year global partnership to focus on disaster preparedness and response, with projects taking place in Australia, Italy, India, Mexico and the UK. The partnership is driven by a common goal of delivering humanitarian assistance and knowledge to remote and vulnerable communities.

CHINA DREAM FUND

The China Jaguar Land Rover Children and Youth Dream Fund was jointly established by JLR and the China Soong Ching Ling Foundation in 2014. Since then, JLR has invested US$11 million in the Dream Fund, benefitting over 5,00,000 children and young adults in the Chinese auto industry. A flagship programme within the Dream Fund is the Jaguar Football Campus, which delivers 10-day coaching sessions to 42 middle and primary school Physical Education (PE) teachers twice a year. The coach education model benefits over 40,000 teachers and students from the Shanghai Pudong New Area each year.

UK PREMIER RUGBY HITZ

JLR has partnered with England Premiership Rugby since 2013, to support the HITZ programme, which tackles some of the greatest challenges facing young people today – unemployment, crime and disillusionment. HITZ provides local, accessible rugby training, outreach and personal development sessions for up to 2,000 young people, 50 weeks a year. Since 2013, JLR has invested over £2.3 million into supporting HITZ, benefitting more than 15,000 children in the age group of 11-19.

COVID-19 RESPONSE

- 370+ Jaguar and Land Rover vehicles have been deployed in 20+ countries to assist the COVID-19 emergency response, including delivering medical supplies and PPE, accessing remote communities, and providing transport for goods and people.
- £37,000+ of employee-generated funds has been donated to UK charities.
- Working with the UK National Health Service, a reusable protective face visor has been designed by JLR, with 15,000+ visors produced and distributed to frontline healthcare workers each week.
- Engineers in Brazil have been repairing hospital ventilators to support Intensive Care Units.
- Thousands of items of PPE, including face masks, goggles, face shields and nitrite gloves have been donated to healthcare organisations and charities.

£37,000+

EMPLOYEE-GENERATED FUNDS DONATED TO UK CHARITIES, AS PART OF RESPONSE TO COVID-19

Corporate Governance

Fundamentals of a strong business

For any enterprise, sustainable long-term value-creation is not just dependent on a robust business model or a dynamic strategy; it also largely depends on the direction towards which its leadership is steering the organisation.
At Tata Motors, our Board of Directors has a key role to play in directing our journey through these challenging times.

Mr Ratan N Tata
(Chairman Emeritus)

Our Board of Directors

Mr N Chandrasekaran
(Non-executive Director and Chairman)

Mr O P Bhatt
(Non-executive, Independent Director)

Ms Hanne Sorensen
(Non-executive, Independent Director)

Ms Vedika Bhandarkar
(Non-executive, Independent Director)

Dr Ralf Speth
(Non-executive Director)

Mr Guenter Butschek
(CEO and Managing Director)

COMMITTEES ● Audit ● Nomination and Remuneration ● Stakeholders' Relationship ● Corporate Social Responsibility ● Risk Management* ● Safety, Health and Sustainability © Chairperson

*Note: Group Chief Financial Officer, Mr P B Balaji is part of the Risk Management Committee as well.

Please visit www.tatamotors.com/about-us/leadership/ for the detailed profiles of the 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 (including ESG) performance aspects of the Company

DIVERSE EXPERIENCE AND EXPERTISE

The Board brings in diverse and wide experience to the table, in the areas of automobile engineering, business and economics, banking and finance, and legal affairs. This diversity of expertise is extremely important for an enterprise like ours. Our Board members also bring along the global outlook required to lead a business like ours.

Board diversity

Female	2
Male	4

Board constitution

Executive Directors	1
Non-executive Directors	2
Independent Directors	3

EVALUATION OF EFFECTIVENESS

Adhering to the global best practices of internal controls and governance, our Board of Directors is also subject to evaluation and the criteria 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

INTEGRATED GOVERNANCE STRUCTURE

At the core of our value-creation lies 'integrated thinking'. The genesis of our 'integrated thinking' is the integration of the Boards of Tata Motors Limited and Jaguar Land Rover.

Board of Directors

Tata Motors Limited	Jaguar Land Rover	Members common to both the Boards
Mr N Chandrasekaran	Mr N Chandrasekaran	Mr N Chandrasekaran
Mr O P Bhatt	Dr Ralf Speth	Ms Hanne Sorensen
Ms Hanne Sorensen	Mr P B Balaji	Dr Ralf Speth
Ms Vedika Bhandarkar	Mr Nasser Munjee	
Dr Ralf Speth	Mr Andrew Robb	
Mr Guenter Butschek	Ms Hanne Sorensen	

BOARD COMMITTEES AND THEIR RESPONSIBILITIES

The **Audit Committee** reviews quarterly/annual financial statements, adequacy of internal control systems, internal audit reports (ensuring independence of auditors) and statement of uses/application of funds raised. 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 and more. 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 monitoring the CSR activities and expenditure. The **Risk Management Committee** assists the Board in overseeing the risk management process, controls, risk tolerance, capital liquidity and funding and reviewing the Company's risk governance. The **Safety, Health and Sustainability Committee** reviews the Company's performance on SHS aspects and oversees the implementation of relevant policies and strategies.

Please refer to Page 143 of our Report on Corporate Governance for more information.

Board's Report

TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Seventy Fifth Annual Report along with the Audited Financial Statement of Accounts for the FY 2019-20.

FINANCIAL RESULTS

(₹ in crores)

PARTICULARS	Standalone*		Consolidated	
	FY 2020	FY 2019	FY 2020	FY 2019
Revenue from operations	43,928.17	69,202.76	2,61,067.97	3,01,938.40
Total expenditure	43,510.11	63,476.23	2,37,153.67	2,72,143.59
Operating profit	418.06	5,726.53	23,914.30	29,794.81
Other Income	1,383.05	2,554.66	2,973.15	2,965.31
Profit before interest, foreign exchange, depreciation, amortization, exceptional item and tax	1,801.11	8,281.19	26,887.45	32,760.12
Finance cost	1,973.00	1,793.57	7,243.33	5,758.60
Profit before depreciation, amortization, exceptional item, foreign exchange and tax	(171.89)	6,487.62	19,644.12	27,001.52
Depreciation, amortization and product development/ engineering Expenses	4,205.53	3,670.40	25,613.92	27,815.20
Foreign exchange loss (net)	239.00	215.22	1,738.74	905.91
Profit/(loss) before exceptional items and tax	(4,616.42)	2,602.00	(7,708.54)	(1,719.59)
Exceptional Items - loss (net)	2,510.92	203.07	2,871.44	29,651.56
Profit / (loss) before Tax	(7,127.34)	2,398.93	(10,579.98)	(31,371.15)
Tax expenses / (credit) (net)	162.29	378.33	395.25	(2,437.45)
Profit / (loss) after Tax	(7,289.63)	2,020.60	(10,975.23)	(28,933.70)
Share of profit /(loss) of joint venture and associates (net)	-	-	(1,000.00)	209.50
Profit/(loss) for the year	(7,289.63)	2,020.60	(11,975.23)	(28,724.20)
Other comprehensive income/(loss)	(378.72)	(23.43)	11,504.47	(5,575.77)
Total Other comprehensive income/(loss) for the year	(7,668.35)	1,997.17	(470.76)	(34,299.97)
Attributable to:				
Shareholders of the Company	-	-	(578.88)	(34,401.73)
Non-controlling interest	-	-	108.12	101.76

* 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 the losses for FY 2019-20, no dividend is permitted to 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 2019-20, no amount has been transferred to Reserves. An amount of ₹47.10 crores was transferred from Debenture Redemption Reserve to Profit & Loss Account.

FINANCIAL PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

Operating Results and Profits

Tata Motors Limited consolidated revenue from operations was ₹2,61,068 crores in FY 2019-20, 13.5% lower than ₹3,01,938 crores in FY 2018-19. The decrease was mainly attributable to lower sales volumes, for both, the Company and Jaguar Land Rover.

The consolidated EBITDA margin was at 8.4% in FY 2019-20 as compared to 8.9% in FY 2018-19. EBIT margin stood at (0.2)% in FY 2019-20 as compared to 1.2% for 2018-19. Profit for the period (including share of associates and joint ventures) stood at ₹ (11,975) crores in FY 2019-20 as compared to ₹ (28,724) crores in FY 2018-19.

The free cash flow (auto) was at ₹ (9,205) crores in FY 2019-20 compared to ₹(9,168) crores for FY 2018-19

Refer MD&A para Operating Result for detail analysis.

Tata Motors Limited recorded revenue from operations (including joint operations) of ₹43,928 crores in FY 2019-20, 36.5% lower than ₹69,203 crores in FY 2018-19. Loss Before and After Tax (including joint operations) for FY 2019-20 were at ₹(7,127) crores and ₹(7,290) crores, respectively as compared to Profit Before and After Tax (including joint operations) of ₹2,399 crores and ₹2,021 crores respectively for FY 2018-19. The financial performance was impacted due to several challenges in FY 2019-20 such as general economy slowdown, liquidity issues, BS VI transition, unfavourable product mix and impact of COVID-19 pandemic towards the end of the Year

Jaguar Land Rover ('JLR'), (as per IFRS) recorded revenue of GB£23.0 billion in FY 2019-20 compared to GB£24.2 billion in FY 2018-19, down by 5.1% broadly in line with the decline in wholesales (excluding CJLR) which were down 6.3% primarily as a result of the impact of coronavirus in the fourth quarter.

EBITDA margins were at 8.7% in FY 2019-20, higher by 50 basis points as compared to 8.2 % in FY 2018-19 primarily supported by cost efficiencies as a result of Project Charge and favourable foreign exchange with the weakening of the Pound. EBIT margins were at (0.1)% in FY 2019-20 higher by 60 basis points as compared to (0.7)% in FY 2018-19, on account of lower depreciation and amortization charge, offset by our share of losses incurred by the China joint venture and the impact of COVID-19 in the fourth quarter. The Loss After Tax and exceptional items was £(469) million in FY 2019-20, as compared to the £(3,321) million Loss After Tax and exceptional items in FY 2018-19. Free cash flows were at £(702) million in FY 2019-20, an improvement of £563 million as compared to £(1,265) million in FY 2018-19.

VEHICLE SALES AND MARKET SHARES

The Tata Motors Group sales for the year stood at 9,61,463 vehicles, down by 24.5% as compared to FY 2018-19. Global sales of all Commercial Vehicles were 3,47,587 vehicles, while sales of Passenger Vehicles were at 6,13,876 vehicles.

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

TATA MOTORS

Tata Motors recorded sales of 4,44,063 vehicles, a decline of 34.6% over FY 2018-19, higher than the Indian Auto Industry decline of 20.3%. The Company's market share (calculated on wholesales) decreased to 12.7% in FY 2019-20 from 15.5% in FY 2018-19.

Commercial Vehicles ('CV')

Domestic CV industry witnessed a decline of 30% in FY 2019-20 as compared to FY 2018-19. The domestic CV industry faced several challenges including BS VI transition, impact of axle load norms and general slowdown.

Tata Motors CV Business sales in the domestic market for FY 2019- 20, witnessed a decline of 33.4% with 3,12,267 units sold. The Company's market share (calculated on wholesales) for FY 2019-20 was 43.0%. All the four segments showed decline with two out of four segments, M&HCV and ILCV, witnessing a market share increase of 240 basis points and 180 basis points respectively. Retail sales increased by 16% as compared to wholesales.

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

Passenger Vehicles ('PV')

Domestic PV industry witnessed a decline of 17.3% in FY 2019-20 as compared to FY 2018-19, mainly on account of general economic slowdown, liquidity issues, rising cost of vehicle ownership and decline in consumer sentiments.

The Company registered a 37.4 % decline in FY 2019-20 with a total volume of 1,31,796 units. The market share (calculated on wholesales) for FY 2019-20 was 4.8%, a decline of 150 basis points from FY 2018-19.

Financial stress in the market continued to affect the sales volume. Financial institutions were cautious while sanctioning the working capital limit to the auto dealers. During the festival season in October and November 2019, there were some signs of market recovery mainly driven by festive sentiment, however, outbreak of COVID-19 affected the supply of parts between January to March 2020 and sales in fourth quarter.

Various initiatives have been taken to improve the performance of the business including counter measures to deal with the above. The focus was shifted to retail sales rather than traditional approach of whole sales. The Company concentrated on the retail capability enhancement. 181 new sales outlets were added and 3500+ sales executives were inducted in the system. Retail focus helped to reduce the network stock by 66% by December 2019. At the end of March 2020, the stock was 2-3 weeks and BS IV stock was near ZERO. As a continuous improvement of process, vehicle billing to the Company's subsidiary TML Distribution Company Limited was stopped from June 2019 and direct billing to dealers was started.

In January 2020, Altroz was launched, which was the first product from the Alfa platform. With the launch of Altroz, the Company entered into the premium hatch segment. Along with Altroz, BS VI and refreshed versions of Tiago, Tigor and Nexon were also launched. Nexon BS VI was launched with the connected vehicle platform iRA and sunroof. This is the first product of the Company with connected vehicle technology. Harrier BS VI was launched in February 2020, with the automatic transmission and sunroof. This refreshed, NEW FOREVER product portfolio will enhance the sales.

The Customer satisfaction continued to be the focus. The Company was ranked second consecutively for three years in J D Power customer satisfaction survey and ranked fourth in sales satisfaction survey. Net Promoter Score (NPS) has improved to 23, indicating improved brand perception.

Exports

The Company's exports on standalone basis were lower by 41.4% to 31,144 vehicles in FY 2019-20 as compared to 53,140 vehicles in FY 2018-19.

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

JAGUAR LAND ROVER ('JLR')

JLR retail sales were 508,659 vehicles in FY 2019-20, down by 70,256 vehicles (12.1%) year-on-year, with over two-thirds of that volume decline occurring in the fourth quarter as the outbreak of COVID-19 impacted sales and the supply of vehicles across all regions. JLR whole sales were 475,952 vehicles in FY 2019-20, down 6.3% as compared to FY 2018-19.

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

Some of the key highlights of FY 2019-20 were:

- Collaboration with BMW to develop next generation electronic drive units to power the next generation of all-electric vehicles announced in June 2019.
- In July 2019, JLR revealed plans to manufacture a range of new electrified vehicles at its Castle Bromwich manufacturing plant in the UK.
- JLR will open a new Battery Assembly Centre near Birmingham (UK) and will begin the manufacture of next-generation electric drive units at the Engine Manufacturing Centre (EMC) in Wolverhampton (UK) later this year.

- Sales and production of the all-new Range Rover Evoque ramped up significantly during the year.
- The refreshed Land Rover Discovery Sport was launched in May 2019 and recently went on sale, from the China joint venture in March 2020.
- Production of a 6 cylinder Ingenium 3.0-litre petrol engine started during the year at the EMC in Wolverhampton (UK).
- In September 2019, JLR unveiled new facilities at its Gaydon site in Warwickshire, creating the UK's largest automotive creation and development centre.
- JLR's first battery electric vehicle, the Jaguar I-PACE won the golden steering wheel award for best SUV in November 2019.
- JLR acquired Bowler, the all-terrain performance specialists, in December 2019.
- Refreshed Jaguar F-TYPE launched in December 2019.
- Production of the all-new Land Rover Defender began in January 2020 at the manufacturing plant in Nitra, Slovakia, with first retail sales in March 2020.
- In February 2020, the National Automotive Innovation Centre at the University of Warwick was officially opened, one of Europe's largest automotive R&D hubs.
- JLR unveiled its bold new concept vehicle, Project Vector, in February 2020 as part of the Company's Destination Zero journey, offering its vision of an autonomous, electric and connected future for urban mobility.
- Project Charge/Charge+ delivered £3.5 billion of cost, cash and profit improvements by the end of FY 2020, and is expected to deliver £5 billion of savings by 31 March 2021.
- Plug-in hybrid versions of the Range Rover Evoque and the Land Rover Discovery Sport were recently launched in April 2020 supported by a new 1.5-litre 3-cylinder Ingenium petrol engine.

Tata Daewoo Commercial Vehicle Company Limited ('TDCV')

The Consolidated Revenues for FY 2019-20 was ₹3,134 crores as compared to ₹3,973 crores in FY 2018-19. Overall sales decreased by 22.2% to 5,190 units in FY 2019-20 from 6,672 units in FY 2018-19.

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

TMF Holdings Limited ('TMFHL')

FY 2019-20 witnessed several challenges including transition to BS VI, low growth in rural wages, NBFC crisis impacting credit flows and the crippling impact of COVID-19 pandemic from mid-March. Assets Under Management (AUM) as on March 31, 2020, stood at ₹ 36,881 crores, as compared to ₹38,311 crores in the year earlier. TMF Group's market share improved by 376 bps to 30% in FY 2019-20. Profit Before Tax for FY 2019-20 grew by 21% to ₹ 149 crores as against ₹ 123 crores in FY2019-20.

Refer MD&A para Tata and other brand vehicles – Vehicle Financing for detail analysis.

SHARE CAPITAL

During FY 2019-20, the Company 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 allotment of each Warrant and the balance 75% of the Warrant Price shall be 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). The warrants can be exercised within 18 months from the date of allotment. The amount of ₹3,892 crores has been received and is to be utilized for repayment of debt, meeting future funding requirements and other general corporate purposes of the Company and its subsidiaries. The Company has utilised amount of ₹2,762 crores as at March 31, 2020.

FINANCE

Amid the challenging environment, further impacted by COVID-19 pandemic, the Company and JLR has undertaken several measures to shore up liquidity. We have sufficient liquidity to weather the demand shocks. As at March 31, 2020, the Company's liquidity (including Joint operations) was ₹6,668 crores (including undrawn credit facility of ₹1,500 crores), while JLR's liquidity was at GBP 5.6 bn (including unutilized credit facility of GBP 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, 2020 and the Company's response to the situation arising from this pandemic has been explained in the Management Discussion and Analysis, which forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Company and its subsidiaries for FY 2019-20 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, a statement containing the salient features of the Financial Statement of the subsidiary companies is attached to the Financial Statement in Form AOC-1. Pursuant to the provisions of Section 136 of the Act, the Company will make available the said financial statement of the subsidiary companies upon a request by any member of the Company or its subsidiary companies. These financial statements of the Company and the subsidiary companies will also be kept open for inspection by any member. The members can send an e-mail to inv_rel@tatamotors.com upto the date of the AGM and the same 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 (13 direct and 90 indirect), 10 associate companies, 3 joint ventures and 2 joint operations as at March 31, 2020, as disclosed in the accounts.

During FY 2019-20, the following changes have taken place in subsidiary / associates / joint venture companies:

- Brabo Robotics and Automation Limited ('BRAL') was incorporated on July 17, 2019, as a wholly owned subsidiary of Tata Motors Limited (TML), with an operating plan to take-over the robotics and factory automation (RAB) division of TML as a going concern. The RAB business of TAL Manufacturing Solutions Limited was transferred to TML w.e.f. April 30, 2019. Presently, BRAL is operational and engaged in RAB business and envisages to explore opportunities within the RAB avenue.
- JLR Ventures Limited was incorporated with effect from May 16, 2019.
- JLR (Ningbo) Trading Co., Limited was incorporated with effect from November 4, 2019.
- TML Business Services Limited [Name changed from Concorde Motors (India) Limited with effect from March 31, 2020] alongwith the object clause to under take the Global Delivery business for providing services to Tata Motors Group.
- Bowler Motors Limited was incorporated as JLR Auto Ventures Limited, with effect from December 13, 2019 and its name changed on January 28, 2020.
- TML Business Analytics Services Limited (a subsidiary of TML Business Services Limited) was incorporated on April 4, 2020.
- Automotive Skill Training Pvt. Limited voluntarily struck off with effect from April 18, 2019.
- Shareholding in Tata Motors (Thailand) Limited (TMTL) increased from 95.87% to 97.17% with effect from June 6, 2019. On July 31, 2018, the operations of TMTL were ceased and a CBU distribution model was introduced.
- Shareholding in Automobile Corporation of Goa Limited increased from 47.19% to 49.77% post Equity Share Buyback of 3,33,000 equity shares on November 15, 2019.
- Shareholding in Tata Technologies Limited (TTL) decreased by 0.014% to 70.38% on account of further allotment of 6,188 shares to other Shareholders on May 7, 2019 and later on, increased from 70.38% to 72.48% on account of Buyback of 12,46,665 Equity Shares from various Shareholders of TTL which concluded on February 28,2020. The holding in all the 12 subsidiaries of TTL is 72.48%.
- Lenny Insurance Limited (Name changed from InMotion Ventures 1 Limited with effect from September 6, 2019).

Transfer of Defence Undertaking to Tata Advanced Systems Limited: The Company proposes to transfer 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'). During FY 2019-20, the Company has received requisite approvals from the shareholders and National Company Law Tribunal. The Scheme would be effective on filing the Scheme with the Registrar of Companies subsequent to meeting the pre-conditions prescribed in the Scheme.

There has been no material change in the nature of the 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 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 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.

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 6.14% women employees in FY 2019-20 vis-à-vis 5.44% in FY 2018-19.

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 the Rules thereunder. Internal Complaints Committee ('ICC') is in place for all works and offices of the Company to redress complaints received regarding sexual harassment.

During the FY 2019-20, the Company organized 39 workshops to create awareness on this topic. 12 complaints on sexual harassment were received during the year. The investigation on 11 cases was completed and necessary actions have been taken. One complaint received in February 2020, is still being investigated, as the enquiry is on hold due to the COVID-19 pandemic.

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

During FY 2019-20, 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 5,89,530 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) Regulations, 2014. Appropriate disclosures prescribed under the said Regulations with regard to the Scheme are 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/download-library/

SAFETY & HEALTH – PERFORMANCE & INITIATIVES

With continuation of Safety Excellence Journey at the Company, the Organisation has achieved Fatality Free Year 2019-20.

For FY 2019-20, the Company's 7 Manufacturing Plants in India, Safety Performance showed healthy improvement with Total Recordable Case Frequency Rate ('TRCFR') being 0.40, against the target of 0.45 with the reduction of 33% over last year. Lost time injury frequency rate (LTIFR) for the Company's 7 plants in FY 2019-20 was 0.09 as against 0.1 last year.

Various proactive initiatives taken by the organisation which involves proactive monitoring of Leading indicators (also known as Proactive Safety Index), introduction of focused training sessions on Risk Perception and Behaviour Based Safety & I-care, for Shop floor employees. Also, special focus was given on Driving and Road Safety. Training and Capability Building across organisation continued to be considered as a key element of Safety Processes for all Employees, Contractors and Vendors. The organisation achieved 6.3 Training man-hours (up by 31%) per employee and 8.1 Training man-hours (up by 41%) per Contractor employee in 2019-20 for 7 Manufacturing Plants.

There is a robust governance mechanism for safety, health, environment & sustainability with Board level Safety, Health and Sustainability ('SHS') committee being an apex review body. The reviews happen at multi levels starting from quarterly review by SHS Committee of Board, to monthly reviews by BU Heads which percolates down to factory level by Apex committee, sub-committee and Factory Implementation committee. Also for Non-manufacturing areas, focused monthly reviews happen at regional offices with Customer Service and Warehouse teams.

After COVID-19 infection cases appeared in India, 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 Organisation (WHO) guidelines and comprehensive employee awareness programmes were initiated. Post the commencement of lockdown, the Management has stayed in touch with the employees through health surveys, virtual meetings and social media platforms. The Management have also extended support to employees and families through 24 hour medical helpline.

SUSTAINABILITY

The Company has always been conscious of the need to conserve energy in its Manufacturing Plants. This is achieved through optimized consumption of fossil fuels, improvements in energy productivity, leading to 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.

In FY 2019-20 Company consumed 88.71 million units of renewable electricity in its operations (21.6% of total power consumption), compared to 94.2 million units in FY 2018-19 (16.12% of total power consumption). The Company generates renewable energy in-house through roof-top solar PV, off-site captive wind farms and through procurement of off-site wind and solar power through "Power Purchase Agreements" (PPA's).

In FY 2019-20 in-house RE capacity was enhanced by 2MWp Roof-top Solar PV (photovoltaic) installation each at Lucknow and Pimpri Plants and 0.5MWp at Chinchwad Pune, 3.69 MWp Roof-top Solar PV installation at Jamshedpur, and 1 MWp Roof-top Solar PV installation each at Pantnagar and Dharwad. In FY 2019-20 Company conserved a total of 8,65,566 m3 of water, which is 16.4% of total water consumption as compared to 13.8% in FY 2018-19. The Company continued its "Value from Hazardous Waste" initiative across Plants in FY 2019-20, aimed at diverting hazardous waste from landfill / incineration at approved sites and instead derive value from the same. This initiative aims to ultimately achieve 'Zero Waste to Landfill' status from manufacturing operations. Specific hazardous waste sent to Authorised Treatment Storage & Disposal Facilities (landfill and incineration) was lower by 19.3% over FY 2018-19 and hazardous waste re-cycled increased by 13% over FY 2018-19.

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) Rules, 2014 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**.

EXTRACT OF ANNUAL RETURN

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is provided in **Annexure-4** to this Report and is also available on the Company's website.
URL: https://www.tatamotors.com/investors/download-library/

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment / Re-appointment

In accordance with provisions of the Act and the Articles of Association of the Company, Dr Ralf Speth, Non-executive Director (DIN: 03318908) is liable to retire by rotation and is eligible for re-appointment.

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 and Ms Vedika Bhandarkar 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 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 Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

As reported in the previous year, Ms Vedika Bhandarkar (DIN:00033808) was appointed as Additional and Independent Director on the Board for a tenure of 5 years with effect from June 26, 2019. Pursuant to Section 161 of the Act, read along with Rules framed thereunder, the Members had vide Ordinary Resolution approved at the AGM held on July 30, 2019, the appointment of Ms Bhandarkar as an Independent Director.

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 the Companies Act, 2013 ('the Act') as well as the Rules made thereunder and are independent of the management.

Mr Nasser Munjee, Mr Vinesh Kumar Jairath and Ms Falguni Nayar completed their tenure as Independent Directors of the Company on July 30, 2019. The Board had placed on record its appreciation for their valuable contribution and guidance during their tenure as Independent Director.

Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel (KMPs) of the Company during FY 2019-20 are:

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

* Mr Borwankar, ED and COO superannuated on July 15, 2019. The Board of Directors had placed on record its appreciation for the invaluable contributions made by Mr Borwankar during his tenure.

CORPORATE GOVERNANCE

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

MEETINGS OF THE BOARD

During the year, the Board of Directors met 7 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 Report. Further, 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 provision 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 Chairman of the Board had one-on-one meetings with the Independent directors and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive, Non-independent directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

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 CG Report para on Familiarisation Programme for detail analysis.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act (salient features) 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 Nomination and Remuneration Committee ('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 said 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 on the managerial remuneration paid to the CEO and Managing Director of the Company, amounting to ₹16.48 crores for the financial year, exceeds the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by ₹ 11.82 crores.

The management's response is as follows:

For the year under review, Mr Guenter Butschek, CEO and Managing Director, was paid managerial remuneration of ₹16.48 crores, as per the terms of his appointment for a tenure of 5 years effective February 15, 2016, as agreed with him and also as approved by the members vide special resolution at the AGM held on August 9, 2016. In furtherance to the said members' approval and pursuant to the provisions of Section 197 read with Schedule V of the Act, members' approval is now being sought for (a) ratifying the payment of Minimum Remuneration to Mr Butschek due to losses incurred during the year under review and the consequent waiver of recovery of a part of the minimum remuneration that is in excess of the prescribed limit; and (b) for payment of Minimum Remuneration to Mr Butschek, in case of inadequacy of profits for FY 2020-21. Members attention is drawn to item nos. 4 and 5 of the Notice of AGM, forming part of the Annual Report.

The Report of the Statutory Auditor forming part of the Annual Report on Internal Financial Controls, also contains a qualification, related to preservation of documentary evidence of the input/output parameters used in extracting system generated reports to validate the controls over the completeness and accuracy of information used in the performance of various process level and management review controls.

Statutory Auditors have considered the material weakness identified in determining the nature, timing and extent of audit tests applied in their audit of the March 31, 2020, standalone financial statements of the Company, and the material weakness does not affect their opinion on the standalone financial statements of the Company.

The management's response is as follows:

During FY 2019-20, we conducted an assessment of the effectiveness of the Internal Control over Financial Reporting and have determined that our Internal Control over Financial Reporting as at March 31, 2020 is not effective for Tata Motors Limited, related to preservation of documentary evidence of the input/output parameters used in extracting system generated reports, to validate the completeness and accuracy of information used in various process level and management review controls. These reports could potentially cause the financial information/disclosure in the financial statements to be materially misstated if not reviewed carefully. However, the material weakness did not result in material misstatements to the annual financial statements.

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

Branch Audit

Members' approval is being sought vide item No. 6 of the Notice, for 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.

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, 2020. The Report of the Secretarial Audit is annexed herewith as **Annexure - 5**. The said Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

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, 2020. 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. Please refer to item no.7 of the Notice.

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 2019-20 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 Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2, the same is not provided. The details of RPTs during FY 2019-20, including transaction with person or entity belonging to the promoter/ promoter Group which hold(s) 10% or more shareholding in the Company are provided in the accompanying financial statements.

During the FY 2019-20, the Non-executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees and reimbursement of expenses, as applicable.

The 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 FY2019-20 are given below:

(₹ in crores)

Name of Companies	Nature of Transactions	Loans	Investment
TMF Holdings Limited	Equity Infusion	-	150.00
TMF Holdings Limited	Call option exercised for Compulsorily convertible preference shares: Series B	-	304.00
Brabo Robotics and Automation Limited	Equity Infusion	-	13.00
Tata Hispano Carrocera	Loan	7.78	-
TPI Singapore	Loan	SGD 1,00,000	-
Tata Motors European Technical Centre PLC	Loan	GBP 22,50,000	-
Tata Motors European Technical Centre PLC	Loan	GBP 20,00,000	-

During FY 2019-20, 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 2019-20.

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

f) they have devised proper systems to ensure compliance with 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').

The Policy is annexed to this Report as **Annexure - 6** and is also available on the Company's website URL: https://investors.tatamotors.com/pdf/dividend-distribution-policy.pdf

INVESTOR EDUCATION AND PROTECTION FUND

Refer CG Report 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 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, June 15, 2020

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 2019-20:

Sr No.	Names of Directors	Designation	Ratio of remuneration to median remuneration	% increase in the remuneration
I	Non-executive Directors			
1	Mr N Chandrasekaran[1]	Chairman- NED	-	-
2	Dr Ralf Speth[2]	Non-executive & Non-Independent Director	-	-
3	Mr Om Prakash Bhatt	Independent director	1.54	-[3]
4	Ms Hanne Sorensen	Independent director	0.99	-[3]
5	Ms Vedika Bhandarkar[4]	Independent director	-	-
6	Mr N Munjee[5]	Independent director	-	-
7	Mr V K Jairath[5]	Independent director	-	-
8	Ms Falguni Nayar[5]	Independent director	-	-
II	Whole-time Directors			
9	Mr Guenter Butschek	CEO and Managing Director	198.77	(37.39)[6]
10	Mr Satish Borwankar[7]	Executive Director and Chief Operating Officer	-	-
III	Key Managerial Personnel			
11	Mr P B Balaji	Chief Financial Officer	123.47	23.49
12	Mr Hoshang Sethna	Company Secretary	20.25	6.39

Notes:

[1] As a policy, Mr N Chandrasekaran, Chairman, has abstained from receiving commission from the Company and hence not stated.

[2] Dr Speth is a Non-executive Director and is not paid any commission or sitting fees for attending Board meeting 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 Om Prakash Bhatt and Ms Hanne Sorensen for FY 2019-20. Hence, percentage increase in remuneration is not comparable and not stated.

[4] Ms Bhandarkar was appointed as Additional and Independent Director with effect from June 26, 2019. Since her term was for a part of the year, ratio of remuneration to median remuneration and percentage increase in remuneration are not comparable and hence not stated.

[5] Terms of Mr Munjee, Mr Jairath and Ms Nayar concluded as Independent Directors with effect from July 30, 2019. Since their term was for a part of the year, ratio of remuneration to median remuneration and percentage increase in remuneration are not comparable and hence not stated.

[6] Mr Butschek's remuneration does not include Incentive Remuneration for FY 2019-20 as it would be decided by the NRC and Board of Directors in Q2 FY2020-21.

[7] Mr Borwankar, ED and COO superannuated on July 15, 2019. Since his term was for a part of the year, ratio of remuneration to median remuneration and percentage increase in remuneration are not comparable and hence not stated.

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

Employee Group	Median Remuneration (₹ in lakhs)	Increase in the median remuneration (%)
White Collar	12.03	2.82
Blue Collar	6.92	7.92

The Median Remuneration of employees for the FY 2019-20 is ₹ 8.29 lakhs

2. The number of permanent employees on the rolls of the Company as at March 31, 2020: 27,802

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 2019-20 (in %)
All permanent (Blue Collar and White Collar)	3.04
White Collar	5.71
Blue collar[1]	3.94
Executive Directors / Managerial Remuneration	
Mr Guenter Butschek	9.39
Mr Satish Borwankar	-[2]

Notes:

[1] Salaries for blue collar includes only Total Fixed Pay. 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.

[2] Mr Borwankar, ED and COO superannuated on July 15, 2019. Since his term was for a part of the year and his renumeration includes retirement benefits, hence are not comparable and not stated.

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

The remuneration for MD/ED/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, June 15, 2020

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, including an overview of projects or programmes proposed to be undertaking and a reference to the web-link to the CSR Policy and projects or programmes:**

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, Environment and Employability 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, 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 engg. 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 Sahabhag- CSR cell of Government of Maharashtra

2. **Composition of CSR Committee:** The CSR Committee comprises of (i) Mr Om Prakash Bhatt, [Chairman of the Committee]; (ii) Ms. Vedika Bhandarkar; and (iii) Mr Guenter Butschek.

3. **Average Net Profit of the Company for last three financial years:** ₹ 600.07 crores (Loss)

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** Not applicable in view of the loss.

5. **Details of CSR Spend during the financial year:**

An amount of ₹ 22.91 crores was spent towards various schemes of CSR as prescribed under Section 135 of the Act. The prescribed CSR expenditure required to be spend in FY 2019-20 as per the Act is Nil, in view of net profit of the Company being negative under Section 198 of the Act.

Total amount to be spent for the financial year: Not applicable

(a) **Amount unspent, if any:** Not applicable

(b) **Manner in which the amount spent during the financial year**: Refer Table in Annexure A

6. **In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount:** Not Applicable

7. **Responsibility Statement of the CSR Committee:** The CSR Committee states that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company. The Company had engaged M/s KPMG India (Registered) for assurance on CSR spend by the Company under Section 135 of the Companies Act, 2013, Schedule VII.

GUENTER BUTSCHEK	**OM PRAKASH BHATT**
CEO & Managing Director	Non-Executive, Independent director (Chairman CSR Committee)
(DIN 07427375)	(DIN 00548091)
Austria, June 15, 2020	Mumbai, June 15, 2020

Annexure A

(in ₹ crores)

S.No.	CSR project / activity identified	Sector in which the Project is covered	Projects /Programmes 1.Local area/others- 2.Specify the state and district where projects or prog were undertaken	Amount outlay (budget) project/ prog wise	Amount spent on the project /prog Subheads: 1.Direct expenditure on project, 2.Overheads		Cumulative spend up to the reporting period	Amount spent: Direct /through implementing agency*
					Direct	Overhead*		
1	Skill Development and vocational skills in Automotive and Non Automotive Sector	Employability Enhancing Skill Development	1. Local Area & Others 2. Andhra Pradesh - Visakhapatnam, Vizianagaram; Chhattisgarh - Champa; Goa - North Goa; Gujarat - Ahmedabad, Vadodara; Jharkhand - East Singhbum; Karnataka - Bengaluru, Bijapur, Dharwad, Hassan, Honnavar, Mangalore; Kerala - Ernakulam, Kannur, Kottayam, Thrissur, Thiruvananthapuram; Maharashtra - Mumbai, Nashik, Pune, Palghar, Thane; Meghalaya - Shillong, West Jaintia Hills, West Khasi Hills; Orrisa - Balasore, Mayurbhanj; Punjab - Jalandhar; Tamil Nadu - Dindigul, Erode, Karur, Kumbakonam, Madurai, Thiruvallur, Nagapattinam, Thiruvannamalai, Tiruchirappalli, Viluppuram; Uttarakhand - Udham Singh Nagar; Uttar Pradesh - Barbanki, Lucknow; West Bengal - Asansol, Bankura, Kolkata, Purba Medinipur	5.58	5.46	0.15	5.63	Direct = 0.28 Implementation Agency* = 5.35
2	Promoting primary and secondary education in Rural and Socially/ Economically Backward communities	Promoting Education	1. Local Area & Others 2. Bihar - Patna Delhi; Gujarat - Ahmedabad, Gandhinagar; Jharkhand - East Singhbum; Karnataka - Dharwad, Maharashtra - Mumbai, Kolhapur, Palgarh, Pune, Sindhudurg, Thane; Puducherry; Uttarakhand - Nainital, Udham Singh Nagar; Uttar Pradesh - Barbanki, Lucknow	9.59	9.36	0.22	9.59	Implementation Agency = 9.59
3	Preventive and curative health services in Communities	Eradicating Hunger, Promoting preventive healthcare, Malnutrition, sanitation and safe drinking water	1. Local Area & Others 2. Bihar - Saran; Gujarat - Ahmedabad; Jharkhand - East Singhbum; Karnataka - Dharwad; Maharashtra - Mumbai, Palghar, Pune, Thane; Uttarakhand - Udham Singh Nagar; Uttar Pradesh - Barbanki, Lucknow	5.59	5.27	0.32	5.59	Implementation Agency* = 5.59
4	Ensuring environmental sustainability through awareness and protection of natural habitats	Ensuring environmental sustainability	1. Local Area & Others 2. Gujarat - Ahmedabad; Jharkhand - East Singhbum; Karnataka - Dharwad; Maharashtra - All districts; Uttarakhand - Almora, Nainital, Udham Singh Nagar; Uttar Pradesh - Barbanki, Lucknow	1.22	1.19	0.02	1.22	Implementation Agency* = 1.22
5	Rural Development	Rural development projects	1. Local Area 2. Maharashtra - Palghar	0.35	0.35	0	0.35	Implementation Agency* = 0.35
	Total CSR project cost			22.33	21.64	0.72	22.38	Direct = 0.28 Implementation Agency = 22.10
6	Administrative overheads and Capacity Building cost			0.60	0.53		0.53	
	TOTAL			**22.93**	**22.89**		**22.91**	

Note: This includes the Company's Contribution towards Amrutdhara National Drinking Water Plan Sumant Moolgaokar Development Foundation (SMDF) and excludes ₹2.27 crores employees' voluntary contribution donated to Sumant Moolgaokar Development Foundation towards Maharashtra Flood response programme and SMDF projects

CSR PROJECT AND IMPLEMENTATION AGENCIES

EDUCATION: Action Aid, Agastya International Foundation, Avanti Fellows, Block Resource Centre EDUCATION DEPT.(SSA), CATHEDRAL CHURCH SANAND, Center for Youth Development & Activities, Children's Movement for Civic Awareness, College of Engineering Pune, GANATAR, Global Education Trust, Gram Vikas Kendra, IIT Bombay Alumni Association, Manav Seva Education Trust, Moinee Foundation, Nav Jagrat Manav Samaj, Paryawaran Evam Jan Kalyan Samiti, Rotary Club of Nigdi, Samaj Vikas Kendra, Samata Shikshan Sanstha, SANAND LIONS FOUNDATION TRUST, Seva Sahyog Foundation, Shanti Seva Nidhi Trust, Shiksha Prasar Kendra, SHRI SHAKTI KELAVNI UTTEJAK TRUST, Society for Human Environmental Development, Suprabhat Mahila Mandal, Swami Vivekananda Youth Movement, Swaroopwardhinee, Tata Institute of Social Sciences, Tata Motors Gruhini Social Welfare Society, The Jai Narayan Charitable Trust, Urmee Charitable Trust, Vidya Poshak, Vikas Samities

EMPLOYABILITY: Ahmedabad Dist. Cooperative Milk Producers Union Ltd., Ambika Motor Driving School, Centre for Civil Society, CII, Gram Vikas Kendra, LAURUS EDUTECH LIFE SKILLS PVT LTD, Manikbag Automobile Pvt. Ltd., MITCON Foundation, Paryawaran Evam Jan Kalyan Samiti, Prasad Chikitsa, Pratham Education Foundation, Ramkrishna Mission Sakwar, Samaj Vikas Kendra, Sambhav Foundation, SANAND EDUCATION TRUST, Shashwat, Skill For Progress, SUVIDHA, Vedanta Foundation, Vikas Samities, Avashya Foundation, , VRUKSHA, Yashaswi Academy For Skills, Shashwat Trust Junne, Shashwat- Manchar, Ayush Motors Driving School, Maharashtra State Board of Technical Education (MSBTE)

HEALTH: Action Aid, CHETNA, Family Planning Association of India, Gram Vikas Kendra, Jan Parivar Kalyan Sansthan, Manav Seva Education Trust, NAMASTE LIFE, Nav Jagrat Manav Samaj, Parivar Kalyan Sansthan, Paryawaran Evam Jan Kalyan Samiti, Prasad Chikitsa, Seth G S Medical College and KEM Hospital, Sneh Foundation, Snehdeep Jankalyan Foundation, Sumant Moolgaonkar Development Foundation, Sterling Hospital, Swadhar, Vikas Samities, Vidya Poshak, Yugrishi (Akhand Jyoti)

ENVIRONMENT: Bansilal Ramntath Agarwal Charitable Trust, Bombay Natural History Society, COLLEGE OF SOCIAL WORK (NIRMALA NIKETAN INSTITUTE), GANATAR, Gram Vikas Kendra, Green Thumb, Manav Seva Education Trust, Paryawaran Evam Jan Kalyan Samiti, Samaj Vikas Kendra, Sarvodhaya Maha Sangh, Terre Policy Center, Tree Public Foundation, Vikas Samities, Wildlife Research and Conservation Society, SUVIDHA

RURAL DEVELOPMENT: BSILD (erstwhile BAIF) Suprabhat Mahila Mandal, Aroehan, Government of Maharashtra

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, 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 include:

- Jamshedpur Plant: Optimized propane consumption in Paint Shop by- controlling heat loss from shell temperature, optimizing air-fuel ratio in ovens by fuel gas analysis and oven operation in batch production mode, LED lamp installation.
- Pimpri Plant: Servo controlled system without hydraulics, HVLS Fans and high-bay LED lamp installation, Start-up time reduction of Air Supply Unit in Paint Shop.
- Chinchwad Plant: Installation of energy efficient water pump for Press Pour furnace, PBL gear box installation for conveyor belt.
- Maval Foundry: Yield improvement by match plate and core box modification.
- Lucknow Plant: LED lighting migration through OPEX model, Installation of VFDs in CED circulation pumps of Paint Shop.
- Pantnagar Plant: VFD installation in exhaust blowers at paint Shop, Lighting optimisation at Paint Shop.
- Dharwad Plant: High mast & street lighting optimisation in line with plant shift operations, Power transformer operation optimisation in switchyard LED migration projects.
- Chikhali Plant: 180 Tr Centrifugal Chiller replaced with 100 Tr Screw Type Chiller in PTCED, Installation of HVLS fans and LED lamps (high bay, street lights, high mast) through OPEX model, Intermediate Controller installation for controlling air pressure, Top Coat running time optimization in Paint Shop.
- Sanand Plant: VFD implementation at Paint Shop, LED migration projects.

These ENCON efforts in FY 19-2020 have resulted into - energy savings of 1,31,836 GJ (1,11,540 GJ from power + 20,296 GJ from fuel), avoided emission of 26,526 tCO2e and cost savings of ₹ 2,732 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, which brings the total installed capacity to:

- 4.3 MWp Roof-top Solar PV installation at Pune (Pimpri, Chinchwad & Chikhali);
- 4 MWp Roof-top Solar PV installation at Lucknow and 51 kWp over office buildings;
- 3.69 MWp Roof-top Solar PV at Jamshedpur;
- 1 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 & 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 the Company generated / sourced 88.71 million kWh of renewable electricity for its manufacturing operations which is 21.6% of the total power consumption. This contributed to avoidance of 73,739 tCO2e and financial savings of ₹ 28.84 crores.

(iii) The capital investment on energy conservation equipment:

In FY 2019-20, the Company has invested ₹ 395 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, Sep'19.
2. Pantnagar also won "Innovative Project Award" for innovation in energy conservation at the CII National Award for Excellence in Energy Management, Hyderabad, Sep'19.
3. Jamshedpur won "Energy Star rating 4.75/5" at the Annual Energy Conservation Awards by CII- Eastern Region, Kolkata in Aug'19
4. Jamshedpur was recognized as "Energy Efficient Unit" award at the CII National Award for Excellence in Energy Management, Hyderabad, Sep'19
5. Lucknow was recognized as "Energy Efficient Unit" at the CII National Award for Excellence in Energy Management, Hyderabad, Sep'19.
6. PV Pune was recognized as "Energy Efficient Unit" at the CII National Award for Excellence in Energy Management, Hyderabad, Sep'19.
7. Sanand – a GreenCo Platinum rated Plant won the "CII - GreenCo Star Performer Award" in the 4-wheeler category at the GreenCo Summit in Jun'19.
8. Dharwad won "4 Star Rating" for Commitment to EHS Practices" and "Special Category Award for Best Carbon Footprint Practices" at the CII Southern Region EHS Excellence Awards-2019, Hyderabad, Dec'19.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

- The Company used Annual Technology Planning & Development cycle for managing its engineering and technology initiatives. The process framework enables identification, development and deployment of the right technologies for future products. Making use of the Technology Creation and Development System (TCDS) process, the same has been institutionalized across its businesses.
- Technology roadmaps for the PV, CV & EV products are derived on short, medium and long term deployment strategies, mapped to the product portfolio. One of the main endeavors which the Company has, is to continuously keep pursuing innovative projects for which multiple in house and Group level platforms are being driven. The outcome and promising innovations from this funnel feed into the Technology Hopper of the annual planning cycle.
- The intervention of the digital mobility, pushing the expansions of eco-system including start-ups, mobility providers, information technology, Transport Network Company (TNC) and government infrastructures, such as smart cities are becoming integral part of automotive development life cycle. Government regulations and norms are pushing safety, autonomous driving, emission and new mobility. Automotive industries are pursuing mega trends of CESS (C-connected, E-electrified, S-safe & S-shared vehicles).
- The Company is setting up lean and agile innovation hubs. These hubs will operate like start-ups with focus on testing of solutions and go-to-market strategies. The Company have engage with Software technology Parks of India (STPI) to create the ecosystem for encouraging innovation, R&D and entrepreneurship for budding entrepreneurs in the field of Automotives. The Company have established collaborative network called TACNet. TACNet engages with the start-up community and technology companies to spark innovative automotives solutions and mobility ecosystem.

Some of the forward-looking technology programs that the Company is concentrating on are:

- Technology & features package protected for BS VI Phase 2 compliance wherever possible.
- Development of electrically driven thermostat, fan, oil pump, turbocharger on various engine platforms which improve fuel economy and overall performance of vehicle.
- New Technology initiatives such as engine valve operated brake, variable cell density substrate for catalytic converter, advanced sensor and actuator technologies.
- Robust control system for hybrid and electric buses and electric cars.
- Electrification of vehicle accessories for electric buses
- Development of indigenous Li-Ion battery packs for hybrid and electric buses and electric cars.
- Indigenous development of fuel cell systems and accessories.
- Collaboration and research is ongoing with institutes like Motilal Nehru National Institute of Technology, Allahabad, JSPM's Rajarshi Shahu College of Engineering; Tathawade, Pune, Veermata Jijabai Technological Institute, Mumbai and IIT Madras for following programs.
  - Steering integrated full vehicle model development to study the effect of electric powertrain on steering driving dynamic PAT target.
  - Methodology Development for Brake Squeal Simulation using Abaqus FEA Software and its implementation on regular projects for squeal noise Reduction.
  - Methodology development for creating 1-diemntional surrogate engine model and exhaust model and integrating both for back pressure and tail pipe noise estimation.
  - Unified parametric engine MBD model development for NVH PAT assessment in ADAMS Car software.
  - Optimization of engine mount stiffness & location for achieving NVH PAT targets using ADAMS CAR & HEEDS software.
  - Low cost auto dimming mirror solution with IIT Madras.
- On the IPR front, during FY 2019-20 the Company filed 86 patent applications and 89 design applications. In respect of applications filed in earlier years, 179 patents have been granted and 50 designs registered. Both filing and grant details include national and international jurisdictions.
- The Company has been putting continuous efforts in development, assimilation and utilization of technological knowledge through its wide advance engineering project portfolio to translate aspiration of efficient, green, sustainable mobility solutions into reality. The Company is striving to bring safer vehicles to the end customers and the vehicle occupants (both active and passive safety), in the recent past, some of the driver assistance technologies has already been homologated and further many are under validation process.

(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.
- The Company's persistent efforts have transformed into successful product launches and concept unveils. During Auto Expo 2020, the Company showcased its 'New Forever' range of Passenger and Commercial Vehicles with 4 global unveils, 1 commercial launch and 26 BS VI ready vehicles.

- The Company received a wide acclamation of its efforts across its range of products through multiple awards and accolades. Few of them are listed below:
- The prestigious Autocar 2020 award for the Best Design and Styling of the Year: Tata Harrier.
- 3 awards from Car and bike Auto Expo Excellence awards (February 2020) in areas of best Design, Best CV Pavilion & Facebook people's choice best pavilion awards.
- Bagged the National BTVI (Business Television India) Marketing Excellence Award under category of "Emerging Brands" for Tata Ultra T.7 and "Brand Revitalization Award for Winger (15 S) seater version.
- 2 awards at the fourth edition of The Economic Times Polymers 2020 annual convention. First award was under the category of Automotive - OEM (Large) for providing innovative solution offering critical balance between performance and aesthetics. Second award was in special category of 'Green Automotive Solutions of the Year' for our project 'Colorful world without paint', which is based on our patented Nano Technology innovation.
- 3 Apollo CV Awards in February 2020 – HCV rigid cargo carrier of the Year Tata Signa, ICV Tipper of the Year Tata LPK 1212 HD & LCV Cargo carrier of the Year ; Tata Ultra T7
- Bagged the 6th Edition of CII Environmental Best Practices Award 2019 held at New Delhi. Under the "Most innovative Environmental Project" award category. We also bagged the "People's choice award.
- Prestigious IP Excellence Recognition award at Questel Executive IP Summit 2019- TATA Motors having been the 'Only Indian Company amongst top 100 Global R&D spenders', as per the GOI Economic Survey (2017-2018) and 'filed more than 1,000 Patent applications at the Indian Patent Office and other jurisdictions'. This is the second time that we are receiving this award.
- Innovation Award 2019 by Clarivate Analytics (formerly known as Thomson Reuters) The Company received an honor of being amongst the 'Top 15 Innovative Companies in India' during the 'Innovation Awards 2019' under 'Corporation Automobiles' category. This is the fourth time that we have bagged the Innovation award while progressing from amongst the 'Top 50' to 'Top 15' last year.
- The Company ensured compliance to the strict CAFÉ norms for last 3 years. despite increased share of gasoline vehicles through concerted efforts. Improvement in margins for CAFÉ (margin for April 19 - Feb 20 stood at 6.89 %.) with selected interventions in FY 2019-20.
- The Company established its GNCAP safety strategy & leadership position for PV products, delivered Altroz as second back to back 5 star GNCAP rated product and Tiago & Tigor with 4 star rating. The Company is the only Company in the country to have achieved this feat.
- Through focused in-house development of technology, the Company has been able to offer new technology products at more affordable prices compared to competition. Further the indigenously developed fuel cell buses would also lead on this front. The strength of the Company's approach to research and development in alternate powertrain is that the aggregates are globally sourced, but the overall system integration is done in-house completely. The Company is also putting efforts in indigenization of EV aggregates and fuel cell aggregates.
- Overall the introduction of new products/processes has helped the Company to strengthen capabilities across the commercial vehicle spectrum, also helped to meet the emerging Future market needs maintaining its technological leadership.

Major technology absorption projects undertaken during the last year includes:

Sr. No.	Technology For	Status
1	Development of connected car Technology	Implemented
2	Advanced driver assistance with 360 degree sense, blind spot detection, surround view	Provisioned in product
3	Moflex MMS Structural Technology	POC Ready
4	Safety plus systems for collision detection, mitigation, longitudinal drive ability control, and driver monitoring	POC Ready
5	Development of domain controllers for cockpit electronics with reconfigurable HMI	Provisioned in product
6	Development of low cost Electronic Parking Brake	POC Ready
7	Light Weighting of BIW Structures	Under development
8	Light weighting of Chassis structures	Under development
9	Express cooling systems in vehicle using coanda vents, electronically variable –displacement compressor and in-cabin heating optimization	Implemented
10	Low cost LED lighting	POC Ready
11	What3words	Implemented
12	Configurable seating offering enhanced safety and comfort with light-weighting	Bookshelf
13	Natural voice recognition	Implemented
14	Smartphone based access	Under development
15	Smart climate control including Auto defogging, cabin air purification, focused diffused vents, driver only mode	Under development
16	Cross traffic collision prevention	Under development
17	Driving dynamics technologies for suspension, steering, braking control	Under development
18	Decorative interior and exterior trims	Under development
19	Hygienic interiors	Under development

Sr. No.	Technology For	Status
20	Fuel cell vehicle based on small commercial vehicle	Project evaluated for feasibility and dropped
21	Hydrogen recirculation blower system for Fuel cell system	POC Ready
22	Battery management system for EV bus/car and car hybrids	Under development
23	In-house hybrid powertrain development	Under development
24	Development of DC-DC converter for fuel cell vehicles	Under development
25	Traction motor control algorithm development for xEVs	Under development
26	In-house development of battery packs for electric and hybrid vehicles	Under development
27	Development of Fuel Cell/Battery EV controller for fuel cell / Battery Electric vehicles	Under development
28	Design and development of Automotive fuel cell Stack	Under development
29	Design and development of Traction motor controller hardware	Under development
30	Design and development of DC-DC converters and On-Board chargers	Under development
31	Design and development of Induction Traction motors based	Under development
32	In house development and demonstration of parallel PHEV technology (Alternate Fuel)	Under development
33	Machine Learning based fueling control for hybrid vehicles better fuel economy	Under development
34	Reinforcement Learning based Fuel Economy improvement	Under development
35	Exhaust after-treatment system application to comply to BS VI emission across all categories of TML vehicles	Implemented
36	2-cylinder Naturally aspirated & turbocharged engine compliance to BS VI emission norms on small commercial vehicle – first of its kind in world	Implemented
37	Rationalization of engine platforms	Implemented
38	Low viscosity unique formulation of lubricating oil giving benefits to doubling oil change and fuel efficiency	Implemented
39	Variable cell density substrate for 3-way catalyst on CNG engine	Developed
40	BSG Integration on passenger vehicles	Under development
41	Fuel economy improvement features through engine hardware and calibration	Under development
42	High altitude chamber for RDE compliance	Planned
43	Development of Advanced Driver Assistance Safety Systems LDWS, AEBS(Fusion based AEBS & LDWS technology)	POC Ready
44	Light Weight Flooring & Liners for Van	POC Ready
45	Bogie suspension with lift option for tractors	POC Ready
46	Voice alert based vehicle- self diagnostic technology	POC Ready
47	Fabric Duct for Buses application	Implemented
48	Night & Day time parking cooling using solar operated roof	POC Ready
49	Tipper stability system	Implemented
50	Stainless steel Hopper Tipper	Under development
51	Vacuum Operated PTO actuation system on SCV platform	Under development
52	Waste Heat Operated HVAC system	POC Ready
53	Adaptive Cruise Control on MHCV Platform	POC Ready
54	Air tanks with composite material	POC Ready
55	SMC Load Body for Pick Ups	POC Ready
56	Composite Container Body for SCV	POC Ready
57	A pillar mounted Demist & Face Grille – ACE Family/SCV	POC Ready
58	IVWN (In vehicle wireless network)	Under development
59	Electronic Stability Program on ILCV with Hydraulic Braking System	Under development
60	Vehicle to Vehicle Communication	POC Ready
61	Variable parking brake lever introduction to reduce the lever length and improve the gradient holding performance	Implemented
62	Weight reduction on Chassis Frame with use of higher thickness material for LM of LPT 3718	Implemented
63	Washable interior trims	Implemented
64	Modular and Scalable Seating System	Implemented

Major technology imports include:

Sr. No.	Technology for	Year of Import	Status
1	Focus on simulation capabilities through various software, Hardware-in-Loop (HiL) to reduce development timelines	2019-20	Operational by September -20
2	Advanced Power Systems Engineering test facility for BS VI and beyond for all kinds of fuels including hybrids and EVs.	2019-20	Implemented

(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. Therefore, the R&D portfolio is aligned towards developing technologies, core competence and skill sets in these specific domains to secure impactful and timely delivery of the envisaged future product products with leading product attributes.
- 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. Focus areas of Company's R&D also evolves around R&D infrastructure development to meet capacity & capability and being timely future ready for future emissions and vehicular safety norms.
- The Company's subsidiary TMETC continued to bring up Automotive solutions for Passenger and Commercial Business Unit from European industry.
- The next generation of cockpit domain controller is set to excite the customers with competitive range of displays across segments, smart customizable HMI, audio and climate-comfort experience with Artificial Intelligence (AI) & Machine Learning (ML). The Company is committed to offer multilingual voice experience for Indian customers.
- The Company is pacing up in-car customer experience through class leading connected car features introduced to products. Towards journey for 5G, the Company is developing interim solutions using NBIoT and cellular V2X technology in Passenger and Commercial Business Unit.
- In commitment to wellness of society and environment, Tata Motors strives to light weighting its passenger and electric vehicles through weight optimization of body and chassis structures through design and process. This involves adaptation of light weighting technologies such as AHSS, hybrid or composite materials, nanomaterial science, etc. Enhancement in ride and comfort through new suspension technologies, drivability in India, comfort and convenience are few of the examples. Innovative Interior and exterior experience through advanced technologies for cockpit, seating, finishers and in-cabin illuminations are under development to refine vehicle experience.
- On CV front too, for EV segment the Company's R&D team has been successful in developing affordable Electric products. We 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.

(iv) The Company continued to develop alternate fuel technologies for sustainable mobility. In the commercial vehicles space, fleet of 9-m electric and 12-m electric buses was delivered for operations. Prototypes for seven fuel cell buses are under technology evaluation. These buses would be ideal for passenger commute in ecologically sensitive areas and urban centers. In addition, a fleet of small commercial electric vehicles are being developed for last-mile passenger transport. The Company has developed a common Connected Vehicle Architecture, which will serve the entire portfolio across Commercial, Passenger and Electric Vehicles, to enable the extended digital eco-system for its customers. The Company's Electric vehicles are being developed supporting the government's e-vision of promoting a clean and green India.

To leverage the Shared mobility ecosystem, the Company is developing innovative solutions for people and goods transport. The Company is working on several electrification, hybridization and alternate fuel technology vehicles in addition to developing technologies that improve the footprint of conventional powertrains. The Company has deployed a comprehensive approach to address the barriers and 'Winning proactively in e-Mobility'.

The Company through its Engineering Research Centre (ERC) has been working on several emission reduction, electrification, hybridization and alternate fuel technologies in addition to developing technologies that improve the footprint of conventional powertrains. Some of the key areas and product launches are enlisted below:

- BS VI emission compliance across all categories of engines/vehicles; all types of commercial and passenger vehicles and powered by diesel, gasoline and CNG.
- On-Board emission compliance and continuous monitoring of emission sensitive components within legislative framework.
- On-road emission monitoring for each category of vehicles.
- Fuel economy improvement over BS IV vehicles and compliance as per applicable regulation for various categories of vehicles.
- The Company launched the range extended Tigor EV sedan and the countries first indigenously developed Electric SUV Nexon using the state of the art Ziptron technology. It is an aspirational SUV for personal car buyers who are looking for a thrilling & connected drive experience with zero emissions. It offers zippy performance with range of 312 km on a single charge as certified by ARAI. In addition it has fast charging capability, extended battery life and class leading safety features.
- An updated version of the original segment defining SCV, all New Tata Intra was launched which rugged & powerful Compact Truck range is built on the Company's new 'Premium Tough' design philosophy.
- Recently launched Signa range of commercial vehicles boosts of superior in-cab experience, proven and reliable drivetrains and future looking inbuilt telematics. The Company has set technology footprints and maintained leadership among competitors by showcasing this.
- The Company showcases seven new public transportation vehicles at Prawaas 2019. A biennial event, Prawaas 2019 displayed new technologies, innovations, products & services in the passenger transportation domain in Navi Mumbai.
- The Company unveiled – The 'HBX Show Car', based on the ALFA Architecture and the 'Sierra EV Concept',

Harrier 2020', based on the OMEGA Architecture, Flagship SUV – the Gravitas, scheduled to be launched in H1 FY2021. In Commercial vehicles space, the Company unveiled - The all-new Tata Winger and the Tata Prima facelift 5530.S. With the customer at center of all initiatives, the Company's Passenger Vehicle Business Unit ranked 2nd in the J.D. Power 2019 India Customer Service Index (Mass Market) Study.

Initiatives towards Digital Product Development Systems: For Road to Lab approach & Enhanced Productivity

- Continuing the journey of excellence, significant improvements were done in digital product development processes through adoption of new technologies and best practices in product development domain. This has led to better front loading of product creation, validation and testing, resulting in timely delivery.
- Niche integration tools, systems and processes continue to be 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:
    - Over 190 design automation and KBE applications were developed and deployed, resulting in ~7.6% improvement in the productivity of CAx engineers.
    - 66 business processes were digitized by converting either paper based or email based processes into standardized online applications using homegrown pFirst platform.
    - EGURU product mobility application deployed at dealerships are upgraded with latest product details helping them as a virtual showroom to showcase the product features to customers.
    - IoT platform for connected vehicle (CVP) and Industry4.0, as an unified common strategy, was implemented. It provides end-to-end integration with vehicle's TCU for connected vehicle and supports advanced analytics portal for data tracing and engineering quality assurance..
    - Developed and deployed CAD integrated tool for BIW fastener design for robust vehicle design with embedded quality checks. Eliminated huge efforts and cost in restructuring of spot data and sealants as part of EBOM to MBOM restructuring.
    - 4D (DFMEA, DFS, DFM and DFA) process was implemented for design release process where design released by ERC undergoes 4D feedback loop and incorporates downstream team feedback in design before release.
    - New GEN PLM (TcUA) was implemented to provide advanced user experience and functionality to users. End to end process implementation was done in TcUA for all stakeholders.
    - Rolled out iPMS (Integrated Project Management Systems) for Delivery Excellence, Salesforce for Sales Excellence.

Additionally, it has implemented a wide range of process improvements and automation that has made its processes much more robust, reliable and efficient. On the Finance side, the Company implemented scores of automations and improvements to eliminate manual work, like in the areas of Revenue recognition, Contractors Invoicing System, lease accounting, Digital Signatures, etc.

Future Plan of Action

We plan to continue our endeavor in the research and development space, to develop vehicles with reduced cost, time to the market and shorter product life cycles. One of the main future initiatives in this direction would be a platform approach for product development. 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. Our Focus is going to be building Technology, Capability, scale & capacities in R&D, to able to ride the emerging trends. We are now focusing more on accelerated testing and validation and are using a lot of digital tools for the simulation process. The Company has been able to stay ahead of the curve and create superior offerings for the customer. Our keen eye for digitization, connectivity, automation and advanced regulations compliance is helping us deliver exciting innovations to our customers worldwide. On current product portfolio, the enhancements are offered through an approach of modular architecture strategy, enhanced Powertrain solution, light weighting, system efficiency improvement strategies etc. As per new vision set for an organisation, by FY 2024, 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 highly engaged work force.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Commercial Vehicles

Exports for FY 2019-20 at 29,656 units were 42% lower than FY19, while the retails were ~25% higher than offtake for the complete fiscal year. Global economic slowdown and liquidity crunch impacted the industry volumes across most of our major markets - SAARC de-grew by 31%, Middle-East de-grew by 17% while the African markets de-grew by 6% over FY 2018-19. With focus on retails, we reduced distributor stocks bringing inventory down by ~20 Days. We were also able to either improve or sustain our market shares in almost all focus markets as compared to the previous year such as a 4% increase in Bangladesh and 5% increase in Nepal. FY 2019-20 also witnessed completion of many prestigious orders such as 819 units for Kuwait Municipality – the single largest order of Primas, 528 units of LPTA 715 to the Royal Thai Army and 100 units of LP 913 to the Myanmar Armed Forces. The Ultra range was also unveiled in South Africa, Vietnam and Kuwait in FY 2019-20.

Passenger Vehicles

Exports for FY 2019-20 at 1,480 units were 27% lower than FY19, while the retails were 10% higher than offtake for the fiscal year. Global economic slowdown and liquidity crunch impacted the industry volumes across the only PV Export region, SAARC which de-grew by 33%. With focus on retails, we reduced distributor stocks bringing inventory down by 13%. We improved our market ranks in our focus markets as compared to the previous year with a No. 2 Rank in Bangladesh (13.2% market share) and No. 3 Rank in Nepal (12% market share), up from No. 4 in FY 2018-19. We also secured a No. 10 spot in Bhutan within the first full year of re-entry. In FY 2019-20 we also won the first prestigious order of 200 units Hexa for Bangladesh Army.

Foreign Exchange Earnings and Outgo in FY 2020	(₹ in crores)
Earning in foreign currency	3,144.88
Expenditure in foreign currency	2,946.64

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
DIN - 00121863

Mumbai June 15, 2020

ANNEXURE–4

Form No. MGT – 9

Extract of Annual Return

As on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) Name of the Company:- Tata Motors Limited

ii) Registration Date:- September 1, 1945

iii) CIN:- L28920MH1945PLC004520

iv) Category / Sub-category of the Company:-
Public Company / Limited by shares

v) Address of the Registered Office and contact details:-
Address: Bombay House, 24 Homi Mody Street
Mumbai 400 001
Tel: 022-6665 8282
Email: inv_rel@tatamotors.com
Website: www.tatamotors.com

vi) Whether Listed Company:- Yes

vii) Name Address and contract details of Registrar and Transfer Agent if any:-
TSR Darashaw Consultants Private Limited (Formerly known as TSR Darashaw Limited)
6-10 Haji Moosa Patrawala
Industrial Estate Near Famous Studio
20 E Moses Road Mahalaxmi (W) Mumbai 400 001
Tel: 022-6656 8484; Fax: 022-66568494
Email: csg-unit@tsrdarashaw.com;
Website: www.tsrdarashaw.com

For Rights Issue 2015:
Link Intime India Private Limited
No.C-13 Pannalal Silk Mill Compound
Lal Bahadur Sharstri Road Bhanpud (W) Mumbai 400 078
Email: tatamotors.rights@linkintime.co.in;
Website: www.linkintime.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr.No.	Name and Description of main product/services	NIC Code of the Product/Service	% to total turnover of the Company
1	Manufacturing of vehicles	2910	84.35

III. PARTICULARS OF HOLDING SUBSIDIARIES AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

Sr. No.	Name and Address of Company	CIN/GNL	Percentage of shares held
	Subsidiaries [pursuant to Section 2(87) of the Act]		
1	TML Business Services Limited [name changed from Concorde Motors (India) Limited on March 31, 2020] 3rd Floor Nanavati Mahalaya 18 Homi Mody Street Hutatma Chowk Mumbai 400 001	U72100MH1972PLC015561	100
2	Tata Motors European Technical Centre PLC 18 Grosvenor Place London SW1X7HS	05551225	100
3	Tata Motors Insurance Broking and Advisory Services Limited 3rd Floor Nanavati Mahalaya 18 Homi Mody Street Hutatma Chowk Mumbai 400 001	U50300MH1997PLC149349	100
4	TML Holdings Pte Ltd. 9 Battery Road #15-01 Straits Trading Building Singapore 049910	200802595C	100
5	TML Distribution Company Limited 3rd Floor Nanavati Mahalaya 18 Homi Mody Street Hutatma Chowk Mumbai 400 001	U63000MH2008PLC180593	100
6	Tata Hispano Motors Carrocera S.A. Carretera de Castellon Km.2305 (poligono Empresarium) Zaragoza Spain	A50089119	100
7	Tata Hispano Motors Carrocerries Maghreb SA Zone Industrial - Berrechid Rue Al Adrisa Berrechid -26100 Morocco	1004723	100
8	TMF Holdings Limited 10th floor 106 A and B Maker Chambers III Nariman Point Mumbai 400 021	U65923MH2006PLC162503	100
9	Trilix S.r.l Via Teano 3 10042 Nichelino Torino Italy	1044707	100
10	Tata Precision Industries Pte Ltd. 1 Robinson Road #19-01 AIA Towers Singapore 048 542	197100574C	78.39
11	Tata Technologies Limited Plot No. 25 Pune Infotechpark MIDC Taluka - Mulshi Hinjawadi Pune - 411027	U72200PN1994PLC013313	72.48

Sr. No.	Name and Address of Company	CIN/GNL	Percentage of shares held
12	Tata Marcopolo Motors Limited Bombay House 24 Homi Mody Street Mumbai-400001	U34101MH2006PLC164771	51
13	Brabo Robotics and Automation Limited (incorporated on July 17, 2019) 3rd Floor Nanavati Mahalaya 18 Homi Mody Street Fort Mumbai 400 001	U29309MH2019PLC328152	100
14	Tata Daewoo Commercial Vehicle Company Limited 172 DonGJangsan-ro Gunsan-si Joellabuk-do 54006 Korea	401-81-22865	100
15	Tata Motors (Thailand) Ltd. 199 Column Tower 20th Floor Ratchadapisek Road Klongtoey Bangkok 10110 Thailand	0105550023406	97.17
16	Tata Motors (SA)(Proprietary) Ltd. 39 Ferguson Road Illova 2196	2007/034689/07	60
17	PT Tata Motors Indonesia Pondok Indah Office Tower 3 Suite 801-A Jl Sultan Iskandar Muda Kav V-TA Pondok Pinang Kebayoran Lama Jakarta 12130 the Republic of Indonesia	Tax Reg no. 03.188.148.5-013.000	100
18	Jaguar Land Rover Automotive Plc Abbey Road Whitley Coventry CV3 4LF - England UK	6477691	100
19	TMNL Motor Services Nigeria Limited C/o Tata Africa Services (Nigeria) Limited Plot C89 Amuwo Odofin Industrial Layout Lagos Nigeria	1284940	100
20	Tata Technologies Pte Limited 8 Shenton Way #19-05 AXA Tower Singapore 068811	198100504W	72.48
21	Tata Motors Finance Solutions Limited C/o Tata Motors Finance Ltd. 10th floor 106 A & B Maker Chambers III Nariman Point Mumbai 400 021	U65910MH1992PLC187184	100
22	Tata Motors Finance Limited C/o Tata Motors Finance Limited 10th F 106 A & B Makers Chambers III Nariman Point Mumbai 400 021	U45200MH1989PLC050444	100
23	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited 4th floor 272 Yeongdeung-ro Yeongdeungpo-gu Seoul 150 033 Korea	104-86-27436	100
24	PT Tata Motors Distribusi Indonesia Pondok Indah Office Tower 3 Floor 8 Suite 801-B Jl. Sultan Iskandar Muda Kav. V-TA Pondok Pinang Kebayoran Lama Jakarta Selatan 12310 the Republic of Indonesia	Tax Reg no. 03.286.323.5-013.000	100
25	Jaguar Land Rover Holdings Limited Abbey Road Whitley Coventry CV3 4LF England UK	4019301	100
26	Tata Technologies (Thailand) Limited 889 Thai CC Tower Room 108-9 10th Floor South Sathorn Road Kwhaeng Yannawa Khet Sathorn Bangkok Metropolis 10120	10554812171	72.48
27	Tata Manufacturing Technologies (Shanghai) Co. Ltd. 11FAurora plaza99 Fucheng RdRoom 1131 Shangai 200120 China	310000400732137	72.48
28	INCAT International Plc 2 Temple Back East Temple Quay Bristol BS1 6EG	02377350	72.48
29	INCAT GmbH Breitwiesenstrasse 19 70565 Stuttgart Germany	HRB 18622	72.48
30	Jaguar Land Rover Limited Abbey Road Whitley Coventry CV3 4LF - England UK	1672070	100
31	Jaguar Land Rover (China) Investment Company Limited Room 713 7F No. 6 Jirong Road (Area C1 Plot 001) Shanghai China Free Trade Zone	310115400245293	100
32	Limited Liability Company "Jaguar Land Rover" (Russia) 28B Building 2 Mezhdunarodnoe Shosse 141411 Moscow Russian Federation	1085047006549	100
33	Tata Technologies Europe Limited 2 Temple Back East Temple Quay Bristol BS1 6EG	02016440	72.48
34	JLR Nominee Company Limited (dormant) Abbey Road Whitley Coventry CV3 4LF - England UK	1672065	100
35	Spark 44 (JV) Limited Abbey Road Whitley Coventry CV3 4LF - England UK	07535151	50.5
36	Jaguar Land Rover Austria GmbH Fuerbergstrasse 51 Salzburg A5020 Austria	FN84604v	100
37	Jaguar Land Rover Japan Limited 3-13 Toranomon 4-chome Minato-ku Tokyo Japan45	0104-01-075166	100
38	Jaguar Land Rover Deutschland GmbH Am Kronberger Hang 2a 65824 Schwalbach/Ts Germany	HRB2408	100
39	Jaguar Land Rover Classic Deutschland GmbH Geschaftsanschrift: Ringstrabe 38 45219 Essen Germany	HRB 29323	100

Sr. No.	Name and Address of Company	CIN/GNL	Percentage of shares held
40	Jaguar Land Rover North America LLC 555 MacArthur Blvd. Mahwah New Jersey 07430 USA	2075961	100
41	Jaguar Land Rover Nederland BV PO Box 40 4153 ZG Bessd Stationsweg 8 Netherlands	23074977	100
42	Jaguar Land Rover Portugal - Veiculose Pecas Lda Edificio Escritorios do Tejo Rua do Polo Sul Lote 1.10.1.1 – 3. B-3 Parish of Santa Maria dos Olivais Municipality of Lisboa Portugal	504998803	100
43	Jaguar Land Rover Australia Pty Ltd. 65 Epping Road North Ryde New South Wales 2113 Australia	4352238	100
44	Jaguar Land Rover Italia SpA Via Alessandro Marchetti 105 - 00148 Roma Italy	6070621005	100
45	Jaguar Land Rover Korea Company Limited 25F West Mirae Asset Center 1 Building 67 Suha-dong Jung-gu Seoul 100-210 Korea	110111-3977373	100
46	Jaguar Land Rover Canada ULC 75 Courtneypark Drive West Unit 3 Mississauga ON L5W 0E3 Canada	2013828088	100
47	Jaguar Land Rover France SAS 34 Rue de la Croix de Fer 78105 Saint Germain en Laye Cedex France	509016804	100
48	Jaguar Land Rover India Limited Nanavati Mahalaya 18 Homi Mody Street Hutatma Chowk Mumbai 400 001	U34200MH2012FLC237194	100
49	Jaguar e Land Rover Brasil Industria e Comercio de Veiculos LTDA Avenida Ibirapuera 2.332 Torre I -10 andar- Moema 04028-002 São Paulo-SP-Brazil	35.222.373.953	100
50	Jaguar Land Rover (South Africa) Holdings Limited Abbey Road Whitley Coventry CV3 4LF - England UK	7760130	100
51	Jaguar Land Rover Espana SL Torre Picasso Plaza Pablo Ruiz Picasso 1 – Planta 42 23020 Madrid SPAIN	B-82526757	100
52	Jaguar Land Rover Belux N.V. Generaal Lemanstraat 47 2018 Antwerpen Belgium	0456.612.553	100
53	Jaguar Land Rover Slovakia s.r.o Vysoka 2B 811 06 Bratislava Slovakia	48302392	100
54	Jaguar Land Rover Singapore Pte Ltd. Level 30 Singapore Land Rover Raffles Place 048623 Singapore	201541482M	100
55	Jaguar Racing Limited Abbey Road Whitley Coventry CV3 4LF - England UK	9983877	100
56	InMotion Ventures Limited Abbey Road Whitley Coventry CV3 4LF - England UK	10070632	100
57	Jaguar Land Rover Colombia S.A.S CL 677735 OFE 1204 BOGOTAN CUDNDINAMARKA 13192900	Tax Id no. 901.000.833-7	100
58	Jaguar Land Rover Ireland (Services) Limited C/o LK Sheilds Solicitors 39/40 Upper Mount Street Dublin 2 Ireland	608696	100
59	Jaguar Land Rover Taiwan Company Limited 12F No. 40 Sec.1 Chengde Road Datong Dist. Taipei City 103 Taiwan (R.O.C)	55768890	100
60	Jaguar Land Rover Servicios Mexcio S.A. de C.V. Javier Barros Sierra 540 Piso 7 703 Santa Fe Alvaro Obregon Distrito Federal 01210	SGM101223SU6	100
61	Jaguar Land Rover Mexico S.A.P.I de CV Javier Barros Sierra 540 Piso 7 703 Santa Fe Alvaro Obregon Distrito Federal 01211	JLR080418T9A	100
62	Jaguar Land Rover Hungary KFT Regus Capital Square Vaci ut 76 1133 Budapest	01-09-327763	100
63	Jaguar Land Rover Classic USA LLC (dormant) 251 Little Falls Drive Wilmington Delaware 19808	US11	100
64	Shanghai Jaguar Land Rover Automotive Services Company Limited Room E16 Floor 2 477 Fute West 1st Road Shanghai Free Trade Zone PRC	310115400006268	100
65	Jaguar Land Rover (South Africa) (Pty) Limited Simon Vermooten Road Silverton Pretoria 0184 South Africa	2001/027269/07	100
66	Jaguar Land Rover Ventures Limited (Incorporated on May 16 2019) Abbey Road Whitley Coventry CV3 4LF - England UK	11999973	100
67	Bowler Motors Limited (Incorporated as Jaguar Land Rover Auto Ventures Limited on December 13, 2019 and name changed on January 28 2020) Abbey Road Whitley Coventry CV3 4LF - England UK	12363625	100
68	Jaguar Land Rover (Ningbo) Trading Co. Limited (Incorporated on November 4 2019) Room 3680 Office Building 12 No. 1 Meishan Salt Field Beilun District Ningbo Zhejiang Province China	91330206MA2GUMKN4M (1/5)	100
69	Jaguar Cars South Africa (Pty) Limited (dormant) Simon Vermooten Road Silverton Pretoria 0184 South Africa	2000/026853/07	100

Sr. No.	Name and Address of Company	CIN/GNL	Percentage of shares held
70	Jaguar Cars Limited (dormant) Abbey Road Whitley Coventry CV3 4LF - England UK	1672067	100
71	Land Rover Exports Limited (dormant) Abbey Road Whitley Coventry CV3 4LF - England UK	1596703	100
72	Land Rover Ireland Limited C/o LK Shields Solicitors 39/40 Upper Mount Street Dublin 2 Ireland	318198	100
73	The Diamler Motor Company Limited (dormant) Abbey Road Whitley Coventry CV3 4LF - England UK	112569	100
74	Diamler Transport Vehicles Limited (dormant) Abbey Road Whitley Coventry CV3 4LF - England UK	322903	100
75	S.S Cars Limited (dormant) Abbey Road Whitley Coventry CV3 4LF - England UK	333482	100
76	The Lanchester Motor Company Limited (dormant) Abbey Road Whitley Coventry CV3 4LF - England UK	551579	100
77	Jaguar Land Rover Pension Trustees Limited (dormant) Abbey Road Whitley Coventry CV3 4LF - England UK	4102133	100
78	Spark 44 (Pty) Ltd. (Sydney Australia) Level 5 65 Berry Street North Sydney NSW 2060	56602084346	100
79	Spark 44 GmbH (Frankfurt Germany) Querstr. 7 60322 Frankfurt am Main	HRB90999	100
80	Spark 44 LLC (LA & NYC USA) 5870 W. Jefferson Blvd Studio HLos Angeles CA 90016 USA	27-4287883	100
81	Spark 44 Shanghai Limited (Shanghai China) Units 6401640265016502 No.436 Ju Men Road Huangpu District Shanghai 200023 China	91310000088514160B	100
82	Spark 44 DMCC (Dubai UAE) Unit No: 1401 & 1404 Swiss Tower Plot No: JLT-PH2-Y3A Jumeirah Lakes Towers Dubai UAE	DMCC34726	100
83	Spark 44 Demand Creation Partners Private Limited (Mumbai India) Block A Level 1 Shiv Sagar Estate Dr. Annie Besent Road WorliMumbai – 400018	U74999MH2015FTC269125	100
84	Spark 44 Limited (London & Birmingham UK) White Collar Factory 1 Old Street Yard London England EC1Y 8AF	7535381	100
85	Spark 44 Singapore Pte Ltd. (Singapore) 138 Market Street #36-01/02 CapitaGreen Singapore 048946	201523182E	100
86	Spark 44 Communications SL (Madrid Spain) Prim 19 4th floor 28004 Madrid	ESB8730486	100
87	Spark 44 S.r.l (Rome Italy) via Marcella 4/6- 00153 Rome	11353340018	100
88	Spark 44 Seoul Limited (Korea) F12 11 Cheonggyecheon-ro Jongno-gu Seoul - 03187 Korea	110114-0162252	100
89	Spark 44 Japan K.K. (Tokyo Japan) 2-23-1-806 Akasaka Minato-ku Tokyo 153-0042	5011101074299	100
90	Spark 44 Canada Inc (Toronto Canada) 1059 Spadina Road Toronto ON M5N 2M7 Canada	2467809	100
91	Spark 44 Pty. Limited (South Africa) 21 Forssman Close Barbeque Downs Kyalami	2015/300314/07	100
92	Spark 44 Colombia S.A.S (Colombia) Cl 72 # 10 07 oficina 401 Bogota Colombia	901.179.478-4	100
93	Spark 44 Taiwan Limited (Taiwan) 18F. No.460 Sec. 4 Xinyi Rd. Xinyi Dist. Taipei City 110 Taiwan (R.O.C.)	50768370	100
94	Lenny Insurance Limited (Name changed from InMotion Ventures 1 Limited w.e.f. September 6 2019) Abbey Road Whitley Coventry CV3 4LF - England UK	10442527	100
95	InMotion Ventures 2 Limited Abbey Road Whitley Coventry CV3 4LF - England UK	10444740	100
96	InMotion Ventures 3 Limited Abbey Road Whitley Coventry CV3 4LF - England UK	10445040	100
97	InMotion Venrures 4 Limited Abbey Road Whitley Coventry CV3 4LF - England UK	11749648	100
98	Tata Technologies Inc 41050 W Eleven Mile Road Novi Michigan 48375 USA	476-730+C9	72.48
99	Escenda Engineering AB C/o S Wedin Helenedalsvagen 14 431 36 Molndal	556798-1286	72.48
100	Tata Technologies SRL Romania Brasov Office: Str Branduselor No 84 Brasov 500397 Romania; Craiova Office: Str Iaon Maiorescu No 10 Etaj 4 cam 405 Craiova 200760 Romania; Iasi Office: 23 Calea Chisinau Street First Floor Tester Building 700265 Iasi Romania	B1766921	72.48

Sr. No.	Name and Address of Company	CIN/GNL	Percentage of shares held
101	Tata Technologies de Mexico S.A. de C.V. Blvd. Independencia #1600 Ote. Local C-46 C.P. 27100 Torreon Coahuila Mexico	Tax Regn No: TTM-990127-V84-	72.48
102	Cambric GmbH Service Kontor Universitat Geb A1 1 D-66123 Saarbrucken Stuhlsatzenhausweg 69 Raum 130 66123 Saarbrücken	HRB 14269	72.48
103	Cambric Limited H & J Corporate Services Ltd. Ocean Centre Montagu Foreshore East Bay Street P.O. Box SS-19084 Nassau Bahamas	57500	72.48
	Associates [pursuant to Section 2(6) of the Act]		
104	Automobile Corporation of Goa Limited Plant I Honda Sattari Goa 403530	L35911GA1980PLC000400	49.77
105	Nita Company Limited 1703 Sky Bhaban 195 Motljheel C/A Dhaka - 1000 Bangladesh	NA	40
106	Tata Hitachi Construction Machinery Company Private Limited Jubilee Building 45 Museum Road Bangalore Karnataka - 560025	U85110KA1998PTC024588	39.99
107	Tata Precision Industries (India) Limited Industrial Area No. 2 A B Road Dewas Madhya Pradesh - 455001	U29120MP1995PLC009773	39.19
108	Tata AutoComp Systems Limited TACO House Plot No- 20/B FPN085 V.G. Damle Path Off Law College Road Erandwane Pune 411004	U34100PN1995PLC158999	26
109	Jaguar Cars Finance Limited Bishopsgate London EC2M 3UR	1731924	49.90
110	Cloud Car Inc 2771 Centervilla Road Suite-400 Wilmington Country of New Castle Delaware 19808 USA	5052102	26.30
111	Synaptiv Limited Kirakland Avenue Ilford Essex England IG50th	10592914	37.50
112	DriveClubService Pte Ltd. 22 Sin Ming Lane #06-76 Midview City Singapore 573969	201707581H	25.07
	Joint Operations [pursuant to Section 2(6) of the Act]		
113	Tata Cummins Private Limited Telco Township Jamshedpur 831004	U34101JH1993PTC005546	50
114	Fiat India Automobiles Private Limited Plot No B-19 M. I. D. C. Ranjangaon Industrial Area Ranjangaon Taluka Shirur Pune 412210	U28900PN1997PTC130940	50
	Joint Ventures [pursuant to Section 2(6) of the Act]		
115	Chery Jaguar Land Rover Automotive Company Limited No. 1 Lu Hu Road Changshu Economic and Technical Development Zone Suzhou City Jiangsu Provice China	91320581717885280B	50
116	Chery Jaguar Land Rover Auto Sales Company Limited 6F Binjiang International Plaza No.88 Tonggang Road Changshu Economic and Technical Development Zone Suzhou City Jiangsu Provice China	7535151	50
117	JT Special Vehicles Private Limited Post Box No. 1840 No. 2 Ondipudur Road Singanallur Coimbatore 641005	U34102TZ2016PTC027770	50
118	Tata HAL Technologies Limited Unit 901-902 A Block 8th Floor Laurel Building Bagmane Tech Park CV Raman Nagar Bangalore 560093	U93000KA2008PLC046588	36.24
119	Loginomic Tech Solutions Private Limited # 39 Sai Prema Krishnanagar Industrial Layout Hosur Road Bangalore 560029	U74900KA2015 PTC080558	26

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

	Category of Shareholders	No. of shares held at the beginning of the year i.e. 01.04.2019				No. of shares held at the end of the year i.e. 31.03.2020				% 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	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	1,10,84,19,398	0	1,10,84,19,398	32.64	1,33,67,65,206	0	1,33,67,65,206	37.16	4.52
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Trust)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)		**1,10,84,19,398**	**0**	**1,10,84,19,398**	**32.64**	**1,33,67,65,206**	**0**	**1,33,67,65,206**	**37.16**	**4.52**
(2)	Foreign				0.00					0.00
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)										
Total Shareholding of Promoter and Promoter Group (A)		**1,10,84,19,398**	**0**	**1,10,84,19,398**	**32.64**	**1,33,67,65,206**	**0**	**1,33,67,65,206**	**37.16**	**4.52**
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	43,33,51,746	71,340	43,34,23,086	12.76	35,60,45,589	71,340	35,61,16,929	9.90	-2.86
(b)	Financial Institutions / Banks	1,20,41,015	2,48,530	1,22,89,545	0.36	1,21,01,131	2,48,470	1,23,49,601	0.34	-0.02
(c)	Cental Government / State Governments(s)	81,19,445	20,13,905	1,01,33,350	0.30	2,79,01,140	20,13,905	2,99,15,045	0.83	0.53
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Alternate Investment Funds	20,92,257	0	20,92,257	0.06	45,11,059	0	45,11,059	0.13	0.06
(f)	Insurance Companies	22,83,10,927	800	22,83,11,727	6.72	21,76,54,126	800	21,76,54,926	6.05	-0.67
(g)	Foreign Institutional Investors	6,96,956	23,940	7,20,896	0.02	4,24,011	23,940	4,47,951	0.01	-0.01
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Any Other (specify)									
(j-i)	Foreign Portfolio Investors (Corporate)	72,39,04,343	0	72,39,04,343	21.32	66,47,37,012	0	66,47,37,012	18.48	-2.84
(j-ii)	Foreign Bodies - DR	76,13,577	0	76,13,577	0.22	3,95,469	0	3,95,469	0.01	-0.21
(j-iii)	Foreign Nationals - DR	991	0	991	0.00	991	0	991	0.00	0.00
(j-iv)	Foreign Institutional Investors - DR	0	0	0	0.00	0	0	0	0.00	0.00
(j-v)	LLP -DR	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B) (1)		**1,41,61,31,257**	**23,58,515**	**1,41,84,89,772**	**41.77**	**1,28,37,70,528**	**23,58,455**	**1,28,61,28,983**	**35.75**	**-6.02**
(2)	Non-Institutions									
(a)	Bodies Corporate	3,68,90,458	4,34,860	3,73,25,318	1.10	2,22,10,749	4,07,985	2,26,18,734	0.63	-0.47
(b)	Individuals -									
i	Individual Shareholders holding nominal share capital upto ₹ 1 lakhs	37,29,40,148	1,71,84,477	39,01,24,625	11.49	47,84,15,319	1,50,51,337	49,34,66,656	13.72	2.23
ii	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs	2,76,07,018	3,34,975	2,79,41,993	0.82	3,45,27,106	3,34,975	3,48,62,081	0.97	0.15
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
(d-i)	NBFCs registered with RBI	1,99,577	0	1,99,577	0.01	59,140	0	59,140	0.00	0.00
(d-ii)	Non Resident Indians	2,66,42,642	22,18,425	2,88,61,067	0.85	2,83,48,896	20,62,710	3,04,11,606	0.85	0.00
(d-iii)	Clearing Member	3,08,26,693	0	3,08,26,693	0.91	3,95,08,931	0	3,95,08,931	1.10	0.19
(d-iv)	Trust	2,58,64,121	1,750	2,58,65,871	0.76	2,57,87,392	1,750	2,57,89,142	0.72	-0.04
(d-v)	OCBs/Foreign Cos	1,24,495	0	1,24,495	0.00	0	0	0	0.00	0.00
(d-vi)	QIB - Insurance Regd. with IRDA	0	0	0	0.00	24,96,096	0	24,96,096	0.07	0.07
(d-vii)	IEPF Suspense A/C	39,75,896	0	39,75,896	0.12	45,76,850	0	45,76,850	0.13	0.01
Sub-total (B) (2)		**52,50,71,048**	**2,01,74,487**	**54,52,45,535**	**16.06**	**63,59,30,479**	**1,78,58,757**	**65,37,89,236**	**18.17**	**2.12**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**1,94,12,02,305**	**2,25,33,002**	**1,96,37,35,307**	**57.83**	**1,91,97,01,007**	**2,02,17,212**	**1,93,99,18,219**	**53.92**	**-3.90**
TOTAL (A)+(B)		**3,04,96,21,703**	**2,25,33,002**	**3,07,21,54,705**	**90.47**	**3,25,64,66,213**	**2,02,17,212**	**3,27,66,83,425**	**91.08**	**0.61**
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	32,36,76,110	20,250	32,36,96,360	9.53	32,07,73,115	20,250	32,07,93,365	8.92	-0.61
GRAND TOTAL (A)+(B)+(C)		**3,37,32,97,813**	**2,25,53,252**	**3,39,58,51,065**	**100.00**	**3,57,72,39,328**	**2,02,37,462**	**3,59,74,76,790**	**100.00**	**0.00**

ii) Share Holding of Promoters (including Promoter Group)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Tata Sons Private Limited (Promoter)	1,01,91,56,523	30.01	1.52	1,24,75,02,331	34.68	1.44	4.67
2	Tata Industries Limited*	7,22,03,630	2.13	0.00	7,22,03,630	2.01	0.00	-0.12
3	Tata Investment Corporation Limited*	1,10,00,000	0.32	0.00	1,10,00,000	0.31	0.00	-0.01
4	Ewart Investments Limited	35,25,187	0.10	0.00	35,25,187	0.10	0.00	0.00
5	Tata Chemicals Limited*	19,66,294	0.06	0.00	19,66,294	0.05	0.00	-0.01
6	Af-Taab Investment Company Limited	4,08,181	0.01	0.00	4,08,181	0.01	0.00	0.00
7	Tata Steel Limited	1,00,000	0.00	0.00	1,00,000	0.00	0.00	0.00
8	Simto Investment Company Limited	59,583	0.00	0.00	59,583	0.00	0.00	0.00
9	J R D Tata Trust	0	0.00	0.00	0	0.00	0.00	0.00
10	Lady Tata Memorial Trust	0	0.00	0.00	0	0.00	0.00	0.00
11	Sir Ratan Tata Trust	0	0.00	0.00	0	0.00	0.00	0.00
12	Sir Dorabji Tata Trust	0	0.00	0.00	0	0.00	0.00	0.00
		1,10,84,19,398	**32.64**	**1.52**	**1,33,67,65,206**	**37.16**	**1.44**	**4.53**

Note:

Entities listed from Sr. No. 2 to 12 above form part of the Promoter Group

*The heading ' % change in shareholding during the year' takes into account the dilution due to increase in the paid-up capital.

iii) Change in Promoter's Shareholding (please specify if there is no change)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2019		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Tata Sons Private Limited (Promoter)	1,01,91,56,523	30.01					1,01,91,56,523	30.01
				05.12.2019	Preferential Allotment	20,16,23,407	3.92	1,22,07,79,930	33.93
				20.03.2020	Purchase of Shares	2,67,22,401	0.74	1,24,75,02,331	34.68
				31.03.2020	**At the end of the year**	**-**	**-**	**1,24,75,02,331**	**34.68**

Note:

Except for the above there is no change in the holdings of total shares held in the Company of Tata Industries Limited Tata Investment Corporation Limited Ewart Investments Limited Tata Chemicals Limited Af-Taab Investment Company Limited Tata Steel Limited Simto Investment Company Limited J R D Tata Trust Lady Tata Memorial Trust Sir Ratan Tata Trust and Sir Dorabji Tata Trust during FY 2019-20.

iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors Promoters and Holders of GDRs and ADRs)

Sr. No	Name of the Shareholder	Shareholding		*Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Life Insurance Corporation Of India				
	At the beginning of the year	14,73,73,493	4.34	14,73,73,493	4.34
	Bought during the year	20,275	0.00	14,73,93,768	4.10
	Sold during the year	-1,93,729	-0.01	14,72,00,039	4.09
	At the end of the year	**14,72,00,039**	**4.09**	**14,72,00,039**	**4.09**
2	Franklin India Equity Fund				
	At the beginning of the year	8,67,12,622	2.55	8,67,12,622	2.55
	Bought during the year	9,35,37,915	2.60	18,02,50,537	5.01
	Sold during the year	-8,78,73,775	-2.44	9,23,76,762	2.57
	At the end of the year	**9,23,76,762**	**2.57**	**9,23,76,762**	**2.57**
3	ICICI Prudential Value Discovery Fund				
	At the beginning of the year	8,92,67,869	2.63	8,92,67,869	2.63

Sr. No	Name of the Shareholder	Shareholding		*Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Bought during the year	5,10,95,901	1.42	14,03,63,770	3.90
	Sold during the year	-6,39,24,334	-1.78	7,64,39,436	2.12
	At the end of the year	**764,39,436**	**2.12**	**7,64,39,436**	**2.12**
4	Government Of Singapore				
	At the beginning of the year	10,80,57,139	3.18	10,80,57,139	3.18
	Bought during the year	4,03,36,885	1.12	14,83,94,024	4.12
	Sold during the year	-8,55,50,571	-2.38	6,28,43,453	1.75
	At the end of the year	**6,28,43,453**	**1.75**	**6,28,43,453**	**1.75**
5	Reliance Capital Trustee Co Limited				
	At the beginning of the year	10,31,08,564	3.04	10,31,08,564	3.04
	Bought during the year	5,84,19,721	1.62	16,15,28,285	4.49
	Sold during the year	-10,09,04,865	-2.80	6,06,23,420	1.69
	At the end of the year	**6,06,23,420**	**1.69**	**6,06,23,420**	**1.69**
6	SBI-ETF Nifty 50				
	At the beginning of the year	5,25,33,087	1.55	5,25,33,087	1.55
	Bought during the year	3,06,23,073	0.85	8,31,56,160	2.31
	Sold during the year	-3,15,00,815	-0.88	5,16,55,345	1.44
	At the end of the year	**5,16,55,345**	**1.44**	**5,16,55,345**	**1.44**
7	Franklin Templeton Investment Funds				
	At the beginning of the year	4,73,73,250	1.40	4,73,73,250	1.40
	Bought during the year	-	-	-	-
	Sold during the year	-1,33,10,653	-0.37	3,40,62,597	0.95
	At the end of the year	**3,40,62,597**	**0.95**	**3,40,62,597**	**0.95**
8	Government Pension Fund Global				
	At the beginning of the year	3,31,22,802	0.98	3,31,22,802	0.98
	Bought during the year	50,47,113	0.14	3,81,69,915	1.06
	Sold during the year	-70,14,663	-0.19	3,11,55,252	0.87
	At the end of the year	**3,11,55,252**	**0.87**	**3,11,55,252**	**0.87**
9	UTI - Nifty Exchange Traded Fund				
	At the beginning of the year	3,59,53,434	1.06	3,59,53,434	1.06
	Bought during the year	1,79,01,310	0.50	5,38,54,744	1.50
	Sold during the year	-2,49,14,122	-0.69	2,89,40,622	0.80
	At the end of the year	**2,89,40,622**	**0.80**	**2,89,40,622**	**0.80**
10	HDFC Trustee Company Limited				
	At the beginning of the year	3,18,54,021	0.94	3,18,54,021	0.94
	Bought during the year	36,02,413	0.10	3,54,56,434	0.99
	Sold during the year	-76,49,333	-0.21	2,78,07,101	0.77
	At the end of the year	**2,78,07,101**	**0.77**	**2,78,07,101**	**0.77**

Note:

Shareholding of Top 10 is consolidated based on Permanent Account Number of the shareholder. The date wise increase or decrease in shareholding of the Top 10 Shareholders giving break-up of Ordinary and 'A' Ordinary shares bought and sold is available on the website of the Company www.tatamotors.com

* The % of total shares of the Company under the heading 'Cumulative shareholding during the year' takes into account the dilution due to increase in the paid-up capital.

v) Shareholding of Directors and Key Managerial Personnel

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2019		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares^	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares^	% of total shares of the Company
1	Mr. N. Chandrasekaran Chairman	-	-					-	-
				16.03.2020	Purchase of shares	2,00,000	0.01	2,00,000	0.01
				31.03.2020	**At the end of the year**	**-**	**-**	**2,00,000**	**0.01**
2	Mr. Satish Borwankar, Executive Director & COO*	500	-					500	-
				-	No change	-	-	500	-
				31.03.2020	**At the end of the year**	**-**	**-**	**500**	**-**
3	Mr. P B Balaji, Group CFO	20,000	-					20,000	-
				-	No change	-	-	20,000	-
				31.03.2020	**At the end of the year**	**-**	**-**	**20,000**	**-**
4	Mr. Hoshang Sethna, Company Secretary	2,953 (AOS) 813	-					2,953 (AOS) 8,13	-
				-	No change	-	-	2,953 (AOS) 813	-
				31.03.2020	**At the end of the year**	**-**	**-**	**2,953 (AOS) 813**	**-**

Notes:

^ Ordinary Shares unless explicitly stated as AOS for 'A' Ordinary Shares
* Mr Borwankar superannuated on July 15, 2019.
Except for the above Director and KMPs, no other Directors and KMP (CEO & MD) hold any shares in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(in ₹ crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal Amount	2,432.71	15,440.19	-	17,872.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.63	369.93	-	371.56
Total (i+ii+iii)	2,434.34	15,810.11	-	18,244.45
Change in indebtedness during the financial year				
i) Addition	26,531.46	19,090.96	-	45,622.42
ii) Reduction	(25,451.34)	(13,481.78)	-	(38,933.12)
Net Change	**1,080.12**	**5,609.19**	**-**	**6,689.31**
Indebtedness at the end of the financial year				
i) Principal Amount	3,512.83	21,049.37	-	24,562.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.49	393.33	-	395.82
Total (i+ii+iii)	**3,515.32**	**21,442.70**	**-**	**24,958.02**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole-time Directors and/or Manager

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		Amount in (₹)
		Mr Guenter Butschek[(1)]	Mr Satish Borwankar[(2)]	
		CEO and MD	COO and ED	
1	**Gross Salary**			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961[(3)]	12,80,33,524	2,61,88,546	15,42,22,070
	b) Value of perquisites u/s 17(2) Income tax Act, 1961[(3)]	1,98,08,517	12,69,939	2,10,78,456
	c) Profit in lieu of salary under section 173(3) of Income Tax Act, 1961[(3)]	-	-	-
2	**Stock Options**	-	-	-
3	**Sweat Equity**	-	-	-
4	**Commission**	-	-	-
	a) as % of profit	-	-	-
	b) Others, specify (Performance based)	-	-	-
5	**Other, please specify**	**-**	**-**	**-**
	Performance Bonus + LTIP	-	-	-
	Retirement Benefits[(4)]	1,66,03,451	3,79,877	1,69,83,329
	Total (A)	**16,44,45,492**	**2,78,38,362**	**19,22,83,855**
	Ceiling as per Schedule V of the Act	**2,81,87,396**	**NA**	**NA**

Notes:

(1) The compensation of CEO and MD for the year ended March 31, 2020, excludes Performance and Long Term Incentives, which will be accrued post determination and approval by the Nomination and Remuneration Committee. Remuneration for the year ended March 31, 2020 includes ₹11.82 crores (₹ Nil for FY 2018-19) of managerial remuneration which is subject to the approval of the shareholders.

(2) The remuneration to COO and ED includes payment towards gratuity, leave encashment and ex-gratia on retirement. These amounts are included above to the extent taxable. Mr Borwankar superannuated on July 15, 2019.

(3) The above remuneration is as per Income Tax Act, 1961. Further, these amounts are paid to the CEO and MD, COO and ED during the year.

(4) Retirement benefits to CEO and MD includes taxable portion of Company contribution to Provident fund of ₹1,34,87,440/-

B. Remuneration to other Directors

Sr. No	Particulars of Remuneration	Name of Directors						Total amount in (₹)
1	**Independent directors**	**O P Bhatt**	**H Sorensen**	**V Bhandarkar**	**N Munjee[1]**	**V K Jairath[1]**	**F Nayar[1]**	
	a) Fee for attending Board/ committee meetings	12,80,000	8,20,000	8,60,000	4,80,000	4,60,000	4,80,000	43,80,000
	b) Commission	-	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	**12,80,000**	**8,20,000**	**8,60,000**	**4,80,000**	**4,60,000**	**4,80,000**	**43,80,000**
2	**Other Non-executive Directors**	**N Chandrasekaran**	**Dr Speth[2]**					
	a) Fee for attending Board/ committee meetings	4,80,000	-					4,80,000
	b) Commission	-	-					-
	c) Others, please specify	-	-					-
	Total (2)	**4,80,000**	**-**					**4,80,000**
	Total B = (1+2)							**48,60,000**
	Overall Ceiling as per the Act				**NA [3]**			

Notes:

[1] Terms of Mr Munjee, Mr Jairath and Ms Nayar as Independent Directors concluded on July 30, 2019

[2] Dr Speth is not paid any commission or sitting fees in view of his appointment as CEO and Director of Jaguar Land Rover Automotive PLC.

[3] No Director has been paid a sitting fee of more than ₹ 1 lakh per meeting. In view of losses, no commission was paid to the Non-executive Directors for FY 2019-20.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Amount in (₹)
		P B Balaji Group Chief Financial Officer	Hoshang Sethna Company Secretary	
1	**Gross Salary**			
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961[1]	9,95,25,065	1,59,10,073	11,54,35,138
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961[1]	48,350	1,16,811	1,65,161
	c) Profits in lieu of salary under section 173(3) of Income Tax Act, 1961[1]	-	-	-
2	**Stock Options**	-	-	-
3	**Sweat Equity**	-	-	-
4	**Commission**	-	-	-
	a) as % of profit	-	-	-
	b) others, specify	-	-	-
5	**Other, please specify (Retirement benefits)**	28,20,918	6,75,469	34,96,387
	Total (C)	**10,23,94,333**	**1,67,02,353**	**11,90,96,686**

Note:

[1] The above remuneration is as per Income Tax Act, 1961.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the breach of any sections of the Act against the Company or its Directors or other officers in default, during the year.

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
DIN - 00121863

Mumbai June 15, 2020

ANNEXURE–5

FORM No. MR-3

Secretarial Audit Report

For The Financial Year Ended March 31, 2020
[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, the information to the extent 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 March 31, 2020, 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 March 31, 2020 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; (Not applicable to the Company during the audit period)

(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:

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 complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

The Securities and Exchange Board of India had vide Order dated March 6, 2018 issued directions for the Company to conduct an internal inquiry within 3 months into the leakage of information relating to its financial results for the quarter ended December 2015, take appropriate actions against those responsible and to submit its report within 7 days thereafter. Accordingly, the Company had on June 12, 2018 submitted its final response to SEBI. SEBI had vide email with regard to the said ongoing SEBI enquiry requested submission of further information / document for which the Company has responded.

It is observed that the managerial remuneration paid to the CEO and Managing Director of the Company during the year was ₹16.48 crores and consequently the total managerial remuneration for the financial year exceed the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by ₹11.82 crores . As per the provisions of the Companies Act, 2013 the excess remuneration is subject to approval of the Shareholders which the Company proposes to obtain in the forthcoming AGM.

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. 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.

a. The Company redeemed unsecured listed Non-Convertible Debentures aggregating ₹1,010 crores and has complied with the applicable laws.

b. The Company has allotted on December 5, 2019, 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 (promoter of the Company).

c. The Company allotted 1793 Ordinary shares and 525 'A' Ordinary shares after receiving payment of ₹1,31,195 and ₹32,025 respectively on January 21, 2020 towards exercise of right on securities held in abeyance.

d. 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 Scheme would become effective on the date falling 5 business days after the last of the dates on which all the conditions and matters referred to in Clause 21 of the Scheme occur or have been fulfilled or waived in accordance with the Scheme ('Effective Date').

e. Issue of Foreign Currency Denominated Unsecured Senior Notes/ Loans of USD 300 Mn.

f. Issue and Allotments of Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures ('Ncds') aggregating upto ₹1000 crores on a Private Placement Basis.

For Parikh & Associates
Practicing Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327B000343109

Place: Mumbai
Date : June 15, 2020

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

'Annexure A'

To,
The Members
Tata Motors 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. Where ever 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: F000327B000343109

Place: Mumbai
Date : June 15, 2020

ANNEXURE-6

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. SCOPE AND OBJECTIVE

This Policy seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for the Company's growth & sustainability. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the Shareholders.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the Shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

The Policy is being recommended for adoption by the Board of Directors of all the companies in the Tata Motors Group i.e. by all its subsidiaries and to the extent possible, the joint ventures after discussions with its partners.

2. STATUTORY REQUIREMENTS

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being ('Act') in particular Sections 2(35), 24, 51, 134(3)(k), 123, 124, 125, 126 and 127 of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), such other applicable provisions of law and the Articles of Association of the Company as amended.

3. PARAMETERS TO BE CONSIDERED WHILE RECOMMENDING/DECLARING DIVIDEND

The Board while declaring or recommending dividend to the Shareholders, will consider following financial/ internal and external factors:

Financial/Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, debt reduction, capitalisation of shares
- Crystallization of contingent liabilities of the Company
- Profit earned under the Consolidated Financial Statement
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

External Factors:

- Economic environment, both domestic and global.
- Unfavorable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of Shareholders' expectations
- Cost of external financing

4. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among Shareholders and amount of profit to be retained in business. Hence, the Shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The Shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital;
- the Company has significantly higher working capital requirement affecting free cash flow;
- the Company proposes to utilize surplus cash for buyback of securities;
- the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 3 above.

5. POLICY AS TO HOW THE RETAINED EARNINGS WILL BE UTILIZED

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Long term strategic plans
- Augmentation/ Increase in production capacity
- Market expansion plan
- Product expansion plan
- Modernization plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the Company
- Payment of Dividend or issue of Bonus Shares
- Other such criteria as the Board may deem fit from time to time.

6. QUANTUM AND MANNER OF DIVIDEND PAYOUT

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to maintain a total dividend payout ratio in the range of 25% to 40% of the annual standalone profits after tax (PAT) of the Company. Under the applicable provisions of the Act, the Company's ability to declare and pay dividends is based on the standalone Financial Statements only. In future should the regulations be amended permitting the Company to pay dividend based on its Consolidated Profits, the Board would consider such a payout ratio on its Consolidated Profits. Till such time, the Company will endeavor to have a policy on dividend distribution with a similar payout ratio across its subsidiaries and to the extent possible, in its joint ventures after discussions with its partners.

The Company may declare dividends for a year, usually payable for a financial year at the time when the Board considers and recommends the Annual Financial Statements, which is called final dividend. The Board of Directors shall have the power to recommend final dividend to the Shareholders for their approval in the AGM of the Company.

The Board of Directors may also declare interim dividend during the financial year, between two Annual General Meetings as and when they consider it fit.

7. SPECIFIC CLAUSE WITH REGARD TO DIVIDEND ON SHARES WITH DIFFERENTIAL VOTING RIGHTS.

The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

The Company has two classes of shares - Ordinary shares and 'A' Ordinary shares (shares with differential rights as to voting and dividend). As per the Company's Articles of Association and terms of issue of 'A' Ordinary Shares, the holders of 'A' Ordinary shares shall be entitled to receive dividend for each financial year at five percentage points more than the aggregate rate of dividend, declared if any, on Ordinary shares for that financial year.

8. DISCLOSURES

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.tatamotors.com.

9. POLICY REVIEW AND AMENDMENTS

The Policy will be reviewed periodically by the Board. This revised policy has been adopted by the Board of Directors of the Company at its meeting held on May 20, 2019, being the effective date of this Policy.

10. DISCLAIMER

a. The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

b. Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

Management Discussion and Analysis

ECONOMY OVERVIEW

INDIA

The Indian economy witnessed a slowdown during FY 2019-20 and the GDP is estimated at 4.2% as compared to 6.1% in FY 2018-19. (Source: Press note by National Statistical Office dated May 29, 2020).

The sluggish growth is due to both endogenous and exogenous factors, key indicator being lack of credit growth and demand in market, leading to low growth in final consumption expenditure, decline in gross fixed capital formation and export earnings. Major global contributing factors are the Sino-American trade conflict, Brexit, geopolitical tensions and deceleration in developed economies. Another reason for this sluggish growth is due to poor showing by manufacturing and construction sectors. As per National Statistical office, gross value added (GVA) at Basic Prices for FY 2019-20 from 'Manufacturing' sector is estimated to grow by 0.3% as compared to growth of 8.6% in 2018-19. According to World Bank, India's GDP growth in FY 2020-21 is projected to contract sharply by negative 3.2% which is likely to be the lowest in many decades as the impact of COVID-19 pandemic materializes. Stringent measures to restrict the spread of the virus, which heavily curtail activity, will contribute to the contraction of economic growth. Spillovers from contracting global growth and balance sheet stress in the financial sector will also adversely impact economic activity, despite some support from fiscal stimulus and continued monetary policy easing.

To improve the economic situation, government took measures to revamp the financial sector by increasing credit outflows by the banks and Non-Banking Financial Companies (NBFC)s, reducing stress in real estate sector, liberalising foreign direct investment norms, a significant cut in the corporate tax rate, easing tax rules for foreign portfolio investors and start ups and speeding up resolution process under Insolvency and Bankruptcy Code, 2016.

The COVID-19 pandemic imposed fresh challenges to economy in the fourth quarter of FY 2019-20. Steps taken to contain its spread such as complete lockdown of the country brought economic activities to a standstill and impacted consumption and investment. The Reserve Bank of India (RBI) has moved in a calibrated fashion to ensure conducive financial conditions and normalcy in the functioning of financial markets and institutions. The initial efforts to provide adequate system level liquidity are reflected in the sizable net absorptions under reverse repo operations. Several other measures are taken include relaxation of CRR norms, rate cuts, granting moratorium for loans, enhancing working capital financing to assist sectors and entities which are facing liquidity constraints. The government has come up with targeted measures to ease the economic pain in various sectors and announced overall economic revival package of ₹20 lakh crores. In case of Micro, Small, and Medium Enterprises (MSMEs) government of India announced ₹3 lakhs crores Collateral Free Loans, ₹20,000 crores subordinate debt for stressed MSMEs, 12 months moratorium with 100% credit guarantee cover along with changes in definition of micro units turnover upto ₹5 crores included.

The automobile industry was hit hard in FY 2019-20 as sales fell across vehicle segments. According to data released by SIAM, in FY 2019-20, the Indian automotive industry recorded a 20.3% decline in domestic sales as compared to a 5.9% growth in FY 2018-19. The Passenger Vehicle segment decline 17.3% in FY 2019-20 (as compared to 2.8% growth in FY 2018-19) due to weak consumer sentiment, rising cost of vehicle ownership, liquidity stress and general economic slowdown.

The Commercial Vehicle industry in India registered a 30.0% decline in FY 2019-20 as compared to 17.1% growth in FY 2018-19, as a result of sharp slowdown in the economy, subdued demand, and higher capacity arising from the new axle load norms and the transition to BSVI.

The COVID-19 pandemic has cast a long shadow over a much-anticipated mild recovery in the automobile industry in FY 2020-21 post BSVI migration. Consumers have been postponing their vehicle purchase decisions owing to uncertainty surrounding the COVID-19 pandemic. Passenger Vehicles segment demand is likely to be muted as this segment is significantly impacted by economic slowdown and decline in consumers purchasing power. With the shutdown of all non-essential services accompanied by liquidity and cash crunch, the demand for Commercial Vehicles is expected to be severely impacted in the first half of FY 2020-21 and gradually improve thereafter as the GDP growth is anticipated to pick up on the back of rural recovery, normal monsoon, overall interventions from Government of India and RBI and gradual easing of lockdowns.

WORLD

Global growth decelerated markedly in FY 2019-20 with continued weakness in global trade and investment. This weakness was widespread, affecting both advanced economies (particularly the European market) and Emerging Market & Developing Economies (EMDE). Bilateral negotiations between the United States and China since October 2019 resulted in a phase one agreement. This comes after a prolonged period of rising trade disputes between the two countries, which has heightened policy uncertainty and weighed on international trade, confidence, and investment. Financial market sentiment improved appreciably towards the end of 2019 along with the alleviation of trade tensions. Against this international context, global growth weakened to an estimated 2.4% in 2019 being the lowest rate of expansion since the global financial crisis. Global trade growth—which is estimated to have slowed sharply from 4% in 2018 to 1.4% in 2019, expected to be at the weakest pace since the global financial crisis.

During 2019, there has been a decline in the prices of most commodities mainly reflecting the deterioration in the growth outlook, especially that of emerging markets, which tend to have a larger income elasticity of demand for commodities. Prices for most base metals weakened in the second half of 2019, primarily due to weaker global growth and trade tensions. Agricultural prices declined in the second half of 2019 on improved weather conditions that ensured elevated stock levels for grains.

China growth has decelerated more than previously expected amid cooling domestic demand and heightened trade tensions. Trade policy uncertainty and higher tariffs on trade with the United States weighed on investor sentiment for most of 2019. Industrial production growth has reached multiyear lows, to an estimated 6.1% in 2019. A permanent and lasting resolution of trade disputes with the United States that builds upon recent progress could bolster China's growth prospects and reduce reliance on policy support.

China was further impacted by the COVID-19 pandemic at the end of FY 2019-20. The impact of China's slowdown was felt around the world. Virus outbreak has disrupted manufacturing supply chains and sharply curtailed energy and commodity demand. The market strain is being seen in ways that did not manifest during the global crisis of 2008. While countries and companies continue to understand the enormity of the scale of this pandemic, it is undeniable that the experience of going through this crisis, will lead to questioning of fundamental assumptions and priorities which will be both a challenge and an opportunity. In China, output appears to be recovering from the large drop at the start of the Year, but the strength of the expected rebound is uncertain.

The United States economy continued to grow moderately in year 2019 and the labour market continued to strengthened further. Real GDP is reported to have increased at a moderate rate in the second half of 2019, although growth was somewhat slower than in the first half of the Year and in 2018. Consumer spending rose at a moderate pace. Business fixed investment declined in the second half of last year, reflecting a number of factors that likely include trade policy uncertainty and weak global growth. Downside risks to the U.S. outlook seem to have receded in the latter part of the Year, as the conflicts over trade policy diminished somewhat, economic growth abroad showed signs of stabilizing, and financial conditions eased. After increasing solidly in 2017 and 2018, manufacturing output turned down in year 2019.

In United States, the COVID-19 pandemic and associated large-scale pandemic-control measures have massively disrupted economic activity. Compared to the global financial crisis, weekly unemployment claims have risen much faster, while industrial production and retail sales have fallen much more sharply. The Federal Reserve has cut rates to near-zero, and announced far-reaching measures to stabilize the financial system. The later includes unlimited purchases of U.S. government debt and mortgage-backed obligations, as well as large-scale purchases of corporate bonds and of securities issued by lower levels of government. The U.S. government has also provided fiscal support approaching US$3 trillion, including over US$1 trillion in loans to firms and to state and local governments. U.S. GDP is expected to contract by 6.1% in 2020, 790 bps below previous forecasts, reflecting the severe consequences of the pandemic in the first half of the year and an assumed gradual recovery in the second half. It is subsequently projected to rebound to 4% in 2021, as large-scale policy support gains traction, amid an assumed recovery in consumer and investor confidence.

Economic activity in Europe has deteriorated significantly due to outbreak of COVID-19 pandemic. Several economies were on the verge of recession, with particular weakness in the German industrial sector as it struggled with falling demand from Asia and disruptions to car production. In response, the European Central Bank has offered low-interest loans to banks, significantly boosted asset purchases, and allayed fears of member-country defaults by lifting distributional restrictions on its bond-buying program. Member governments have rolled out significant fiscal support packages. Large member countries are also advancing a major recovery plan for the European Union, including grants for economies hardest hit by the crisis. Euro Area output is expected to contract by 9.1% in 2020 as compared to previous growth forecast of 1%, with all major member countries experiencing recessions before a gradual recovery gets underway late in the year. Growth is forecast to rebound to 4.5% in 2021, reflecting fading pandemic-related drag, and the eventual effects of accommodative fiscal and monetary policy.

United Kingdom GDP growth slowed materially in 2019 with GDP at 1.4% as weaker global growth and Brexit-related uncertainties weighed on spending. Weaker world growth has been partly driven by trade protectionism and an associated rise in global uncertainty. These factors are likely to have weighed on business investment, which had remained sluggish. The Brexit uncertainties that have been facing households, businesses and financial markets are likely to decline gradually, leading to a pickup in household and especially business spending. As a result of the COVID-19 pandemic UK economy is likely to contract in 2020. The UK government has introduced a set of support measures including 5% of GDP in discretionary spending to support business and households, the Job Retention Scheme which provides companies with 80% of furloughed workers salaries, increasing basic unemployment support, providing grants to self-employed people. Monetary policy has been eased, with Bank of England announcing rate cuts, increasing its bond purchasing programme and extending the Ways and Means facility. While the growth is expected to recover in 2021 as confinement measures ease, uncertainty remains around future relationship with European Union and smooth Brexit transition.

(Source: RBI, World bank, IMF, etc.)

COVID-19 Pandemic

The impact of the COVID-19 pandemic has created significant volatility in the global economy and led to reduced economic activity. There have been extraordinary actions taken by international, federal, state, and local public health and governmental authorities to contain and combat the outbreak and spread of COVID-19 in regions throughout the world, including travel bans, quarantines, "stay-at-home" orders, and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations. The pandemic has resulted, and may continue to result, in significant economic disruption that has and likely continue to adversely affect our business.

The ultimate impact of the pandemic on our business, results of operations and financial condition will depend on numerous evolving factors and future developments, including the ultimate duration, spread, severity and repetitiveness of the outbreak; the ultimate extent and duration of its effect on the global economy and how quickly and to what extent normal economic and operating conditions resume.

Consistent with the actions taken by Indian governmental authorities, in late March 2020, our manufacturing operations were also suspended for a period of time and recently we have resumed production at all of our plants. The restart of production commenced at Jaguar Land Rover's China joint venture in March and most of Jaguar Land Rover's plants from mid-May supported by the gradual ramp up of operations in supply base and almost all of the dealer networks have now reopened (partially or fully). In addition, government-imposed restrictions on businesses, operations and travel and the related economic uncertainty have impacted demand for our vehicles in most of our global markets. In response, we are implementing a number of rigorous cost control measures, such as focus on curtailing non-essential spend and rationalization of capital expenditure. A cash improvement program of ₹6,000 crores (including cost savings program of ₹1,500 crores) has been called out. The extent of COVID-19 pandemic impact on our future operations and the demand for our products will depend upon, among other things, the duration, spread, intensity and repetitiveness of the pandemic and related government responses such as required social distancing, restrictions on business operations and travel, the pace of recovery of economic activity and the impact to consumers, all of which are uncertain and difficult to predict in light of the rapidly evolving landscape.

As at March 31, 2020, the Company reviewed its business and operations to take into consideration the estimated impacts and effects of the COVID- 19 pandemic, including the estimated impact on the macroeconomic environment, the market outlook and the Company's operations.

Automotive Operations

Automotive operations is the Company's most significant segment, which includes:

- 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 2019-20 and FY 2018-19 are set forth in the table below:

	FY 2019-20		FY 2018-19	
	Units	%	Units	%
Passenger cars	2,02,010	21.0%	2,86,730	22.5%
Utility vehicles	4,11,866	42.8%	4,60,056	36.1%
Light Commercial Vehicles	2,17,342	22.6%	3,34,005	26.2%
Medium and Heavy Commercial Vehicles	1,30,245	13.6%	1,93,281	15.2%
Total	**9,61,463**	**100.0%**	**12,74,072**	**100.0%**

We sold 4,85,511 units of Tata Commercial Vehicles and Tata Passenger Vehicles and 4,75,952 units (excluding wholesales from the China Joint Venture) of Jaguar Land Rover vehicles in FY 2019-20. In terms of units sold, our largest market was India where we sold 4,48,614 and 6,93,756 units during FY 2019-20 and FY 2018-19, respectively (constituting 46.7% and 54.5% of total sales in FY 2019-20 and FY 2018-19, respectively), followed by North America, where we sold 1,35,766 units and 1,33,237 units in FY 2019-20 and FY 2018-19, respectively (constituting 14.1% and 10.5% of total sales in FY 2019-20 and FY 2018-19, respectively).

Tata and other brand vehicles

India is the primary market for Tata and other brand vehicles (including vehicle financing). During FY 2019-20, Indian automotive sector was impacted by subdued demand, weak consumer sentiment, economic slowdown and transition to BSVI. Other geographic markets were also affected by various macro and industry headwinds.

The following table sets forth our total sales worldwide of Tata Commercial Vehicles and Tata Passenger Vehicles:

	FY 2019-20		FY 2018-19	
	Units	%	Units	%
Tata Passenger Vehicles	1,37,924	28.4%	2,34,500	30.8%
Tata Commercial Vehicles	3,47,587	71.6%	5,27,286	69.2%
TOTAL	**4,85,511**	**100.0%**	**7,61,786**	**100.0%**

Of the 485,511 units sold overall in FY 2019-20, the Company sold 448,614 units of Tata and other brand vehicles in India and 36,897 units outside of India, compared to 6,93,756 units and 68,030 units, respectively in FY 2018-19.

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 wholesale volumes:

Category	Year ended March 31,	
	2020	2019
Passenger Cars	4.2%	5.9%
Utility Vehicles	5.6%	7.0%
Total PV	**4.8%**	**6.3%**
Medium and Heavy Commercial Vehicles	57.4%	55.0%
Intermediate and Light Commercial Vehicles	47.2%	45.4%
SCVs & Pickups	37.9%	40.1%
CV Passenger Vehicles	40.9%	44.0%
Total CV	**43.0%**	**45.1%**
Total Four-Wheel Vehicles	**12.7%**	**15.5%**

Source: Society of Indian Automobile Manufacturers Report and our internal analysis.

Passenger Vehicles in India

Industry-wide sales of Passenger Vehicles in India decreased by 17.3% in FY 2019-20, compared to a 2.8% growth in FY 2018-19, while Utility Vehicles sales remained flat during FY 2019-20 as a result of weak consumer sentiment, rising cost of vehicle ownership, liquidity stress and general economy slowdown. Our Passenger Vehicle sales in India decreased by 37.4% to 1,31,796 units in FY 2019-20 from 2,10,500 units in FY 2018-19, due to macro headwinds impacting the industry, our focus on retail sales for seamless transition to BSVI and streamlining the distribution and retail infrastructure. During the FY 2019-20 the Passenger Vehicle retail sales were 13% higher than Passenger Vehicle wholesales. For smooth transition to BSVI, the Company was focused on stock reduction through retail acceleration. We have achieved seamless transition to BSVI with our "New Forever" range.

We sold 71,719 units in the Passenger Car category (Tata-brand vehicles in India) in FY 2019-20, compared to 1,31,035 units in FY 2018-19. In January 2020, we launched, Altroz (a premium hatchback and the first model from ALFA platform) and we sold 8,426 units. Our market share for Passenger Cars in India was lower at 4.2% in FY 2019-20, as compared to 5.9% in FY 2018-19.

In the Utility Vehicles category, we sold 60,077 units in FY 2019-20, representing a decrease of 24.4% from 79,465 units in FY 2018-19. Our market share of Utility Vehicles in India decreased and currently stands at 5.6% in FY 2019-20, compared to 7.0% in FY 2018-19.

Commercial Vehicles in India

Industry sales of Commercial Vehicles decreased by 30.0% to 7,26,762 units in FY 2019-20 from 10,38,834 units in FY 2018-19. Industry sales in the MHCVs has declined the most by 51.9% at 1,32,272 units in FY 2019-20, as compared to 2,74,750 in FY 2018-19. Industry sales of ILCV reported a decrease of 29.0% to 89,066 units in FY 2019-20, from 1,25,471 units in FY 2018-19. Industry sales of SCV & Pickups reported a decrease of 20.2% to 411,352 units in FY 2019-20, from 5,15,491 units in FY 2018-19. Industry sales of CV Passenger reported a decrease of 23.6% to 94,072 units in FY 2019-20, from 1,23,122 units in FY 2018-19.

Despite several challenges, through focused management efforts we achieved seamless transition into BS VI. As a result, our BS IV inventory in the ecosystem was near zero.

MHCVs in India

Our sales in the MHCVs category in India decreased by 49.7% to 75,918 units in FY 2019-20, as compared to sales of 1,51,004 units in FY 2018-19. The decline was witnessed on account of higher capacity arising from axle load regulations, poor freight availability, the falling freight rates, slowdown in the infrastructure developments, delayed payments to contractors, liquidity stress and overall sharp decline in the economy. We increased the market share in this segment by 240 basis points thereby continuing to drive our competitiveness.

ILCVs in India

Our sales in the ILCVs in India segment decreased by 26.2% to 42,077 units in FY 2019-20, from 57,015 units in FY 2018-19. The ILCV industry in India declined mainly due to lack of replacement demand, slowdown in economy, liquidity constraints and decline in discretionary spending. We increased the market share in this segment by 180 basis points thereby continuing to drive our competitiveness.

SCVs & Pickups in India

Our sales in SCVs & Pickups segment in India decreased by 24.6% to 1,55,790 units in FY 2019-20 from 2,06,655 units in FY 2018-19. The SCV segment is heavily dependent on the 'First Time User' category of customers and thus has been impacted due to the liquidity crunch, higher interest rates and difficulty in funding from the NBFCs. We lost market share in the pick-up segment and intend to redress the same with the launch of the new Intra platform.

CV Passenger Vehicles in India

Our sales in CV Passenger Vehicles segment in India decreased by 28.9% to 38,482 units in FY 2019-20 from 54,114 units in FY 2018-19, due to overall decline in industry volume.

Tata Commercial Vehicles and Tata Passenger Vehicles — Exports

International business has consistently expanded 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, Southeast Asia and Ukraine. We markets a range of products including M&HCV trucks, LCV trucks, buses, pickups and small commercial vehicles.

Our overall sales in international markets decreased by 41.4% to 31,144 units in FY 2019-20 as compared to 53,140 units in FY 2018-19. Our top five export destinations for vehicles manufactured in India, were Bangladesh, Nepal, Sri Lanka, Kuwait and Tanzania, which accounted for 73% of the exports of Commercial Vehicles, while Nepal, Bangladesh, Tanzania, Bhutan and Sri Lanka were top 5 export destinations for Passenger Vehicles and accounted for 99% of exports of Passenger Vehicles. We intend to strengthen our position in the geographic areas we are currently operating in and explore possibilities of entering new markets with similar market characteristics to the Indian market. Commercial vehicles exports were 29,664 units in FY 2019-20, as compared to 51,119 units in FY 2018-19. Global economic slowdown and liquidity crunch impacted the industry volumes across most of our major markets, for instance SAARC, Middle east and African markets witnessed a decline in volumes in FY 2019-20 as compared to FY 2018-19. Our market shares in almost all focus markets have either improved or sustained as compared to FY 2018-19. We also corrected our distributor stocks which had built up due to the sudden drop in demand and completed many prestigious orders with major municipalities and government bodies across the globe. Passenger Vehicles exports were at 1,480 units in FY 2019-20, compared to 2,021 units in FY 2018-19. 200 Units of Hexa were supplied to Bangladesh army.

Tata Daewoo Commercial Vehicle Co. Ltd. or TDCV's, our subsidiary Company which engages in the design, development and manufacturing of MHCVs, witnessed a decrease in overall sales by 22.2% to 5,190 units in FY 2019-20 from 6,672 units in FY 2018-19. In its domestic market (South Korea), TDCV's sales decreased by 18.1% from 4,371 units in FY 2018-19 to 3,581 units in FY 2019-20, primarily due to lower industry volumes, aggressive discounting and marketing strategies of importers and impact of COVID-19 pandemic in fourth quarter of FY 2019-20. The combined market share was 20.5% in FY 2019-20 as compared to 21.1% in FY 2018-19. The export market scenario continued to remain challenging in FY 2019-20 due to factors such as continuing statutory regulations to reduce imports, global economic downturn and COVID-19 pandemic which has adversely impacted overall sales. The export sales showed reduction of 30.1% from 2,301 units in FY 2018-19 to 1,609 units in FY 2019-20.

Tata Commercial Vehicles and Tata Passenger Vehicles — Sales and Distribution

Our sales and distribution network in India as at March 2020 comprised approximately over 5,528 touch points for sales and service for its Passenger Vehicles and Commercial Vehicles businesses. We use a network of service centres on highways and a toll-free customer assistance centre to provide 24-hour roadside assistance, including replacement of parts, to vehicle owners.

We have customer relations management system, or CRM, at all of our dealerships and offices across the country, 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, South East 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 a number of international companies to India who have either formed joint ventures with local partners or have established independently owned operations in India. Global competitors bring with them decades of 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. We believe that our vehicles are suited to the general conditions of Indian roads and the local climate. The vehicles have also been designed to comply with applicable environmental regulations currently in effect. We also offer a wide range of optional configurations to meet the specific needs of our customers. We intend to develop 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, although there is 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 picks up 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 ₹15,029 crores and ₹21,993 crores in vehicle financing during FY 2019-20 and FY 2018-19, respectively. During FY 2019-20 and FY 2018-19, approximately 30% and 26%, respectively, of our vehicle unit sales in India were made by the dealers through financing arrangements with Company's captive financing subsidiary. As at March 31, 2020 and 2019, TMF Group's customer finance receivable portfolio comprised 6,24,354 and 5,77,399 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 of the contracts through our authorized dealers and direct marketing agents with whom we have agreements. All of our marketing, sales and collection activities are undertaken through dealers or by TMF Group.

TMFL securitizes or sells our finance receivables on the basis of the evaluation of market conditions and funding requirements. 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, 15% of the future principal in the receivables as collateral, for securitizations done through FY 2019-20, 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 agency(ies); and
- by way of over-collateralization or by investing in subordinate pass-through certificates to secure the obligations of the purchasers.

TMF Group also undertakes direct assignment where there is no support provided to the investors of the pool in the form of credit enhancement. TMF Group realigned its strategy in FY 2019-20, by adopting the asset-lite model. It meant disbursing in the form of financial warehousing, subsequently curating the eligible assets for specific period and then selling to market participants which are mostly public and private sector banks by way of direct assignments.

Jaguar Land Rover

Total wholesales of Jaguar Land Rover vehicles (excluding Chery Jaguar Land Rover) with a breakdown between Jaguar and Land Rover brand vehicles, in FY 2019-20 and FY 2018-19 are set forth in the table below:

	FY 2019-20		FY 2018-19	
	Units	%	Units	%
Jaguar	1,25,820	26.4%	1,53,757	30.3%
Land Rover	3,50,132	73.6%	3,54,138	69.7%
Total	**4,75,952**	**100.0%**	**5,07,895**	**100.0%**

In FY 2019-20, Jaguar Land Rover wholesale volumes (excluding our China Joint Venture) were 4,75,952 units down 6.3%, compared to FY 2018-19, and wholesale volumes of China Joint Venture were 49,450 units, reflecting a 13.9% decrease compared to the 57,428 units in FY 2018-19. The decrease in wholesales volumes (excluding our China Joint Venture) in FY 2019-20 primarily reflects the decline in sales in the fourth quarter (a decrease of 20.3% as compare to FY 2018-19) as a result of the COVID-19 pandemic. By region, Jaguar Land Rover wholesale volumes (excluding our China Joint Venture) were 1,35,766 in North America (an increase of 1.9% as compared to FY 2018-19), but decreased in other regions at 14.2%, 8.8%, 7.3% and 4.6% respectively in other overseas market, Europe, UK and China. Wholesale volumes recovered well in the 9 months to December 31, 2019, (an increase of 8.5% as compare to the same period in FY 2018-19), before the COVID-19 pandemic impacted sales in the fourth quarter of FY 2019-20. By model, the increase of wholesale volumes of the all-new Range Rover Evoque (an increase of 44.2% year-on-year), the commencement of sales of our all-new Land Rover Defender and the award-winning Jaguar I-PACE (an increase of 2.0% year-on-year) were offset by decline in sales of other models, including the Land Rover Discovery Sport.

Jaguar wholesale volumes were 1,25,820 units, down 18.2% compared to FY 2018-19, with increased sales of the all-electric I-PACE (up 2.0%), were offset by lower sales of other models.

Land Rover wholesale volumes were 3,50,132 units, down slightly 1.1% compared to FY 2018-19, as significantly higher sales of the all-new Range Rover Evoque (an increase of 44.2% as compared to FY 2018-19) and the start of sales of the all-new Land Rover Defender largely offset lower sales of other models.

Jaguar Land Rover's performance in key geographical markets on a retail basis:

Retail volumes (including retail sales from the China Joint Venture) in FY 2019-20 declined by 12.1% to 5,08,659 units from 5,78,915 units in FY 2018-19 with over two-thirds of that volume decline occurring in the fourth quarter as the COVID-19 pandemic impacted sales and the supply of vehicles across all regions.

United Kingdom

Industry vehicle sales fell 10.9% in FY 2019-20 in the United Kingdom as diesel vehicle sales decline 28.5% year-on-year and continued volatility in the run up to the general election in December 2019 and uncertainty related to Brexit and the subsequent transition period which is currently scheduled to end on December 31, 2020. Jaguar Land Rover retail volumes decreased by 9.6% to 106,612 units in FY 2019-20 compared to 1,17,915 units in FY 2018-19. By brand, Jaguar retails were 32,533 vehicles in FY 2019-20, down 15.5% compared to 38,515 vehicles in FY 2018-19, and Land Rover retails were 74,079 vehicles, down 6.7% compared to 79,400 vehicles in FY 2018-19.

North America

Economic performance in North America weakened in FY 2019-20, with interest rate reductions even prior to the monetary policy actions implemented to combat the economic impact of the COVID-19 pandemic and industry vehicle sales down 3.9% year-on-year. Jaguar Land Rover retails also decreased, down 7.5% year on year, to 129,346 units in FY 2019-20 compared to 1,39,778 units in FY 2018-19. By brand, Jaguar retails were 30,095 vehicles in FY 2019-20, down 18.1% compared to 36,768 vehicles in FY 2018-19, and Land Rover retails, were 99,251, down 3.6% compared to 1,03,010 last year.

Europe

Economic growth in Europe was low in FY 2019-20 due to negative impact of Brexit and rising protectionism in the EU with economic activity in Germany and Italy, diesel uncertainty, the reduction in subsidies for electric vehicles, notably in the Netherlands impacted sales in Europe. Industry volumes in Europe were down 4.8% but Jaguar Land Rover retail sales declined further, down 16.1% year on year to 1,07,037 vehicles in FY 2019-20 from 127,566 in FY 2018-19, By brand, Jaguar retails were 35,335 vehicles in FY 2019-20, down 28.6% compared to 49,474 vehicles in FY 2018-19, and Land Rover retails were 71,702 in FY 2019-20, down 8.2% compared to 78,092 vehicles in FY 2018-19.

China

Economic growth continued to slow in China during FY 2019-20 as weaker market conditions and trade tension with the US continued. Further the COVID-19 pandemic has resulted in nationwide shutdown in China for most of the fourth quarter. As a result industry vehicle sales declined by 16.6% year on year however Jaguar Land Rover retail volumes (including sales from the China Joint Venture) decreased by less than the industry, down 8.9% (despite a strong recovery in the second and third quarter, with double digit year-on-year growth) to 90,124 units in FY 2019-20 from 98,922 units in FY 2018-19. By brand, Jaguar retails were 26,061 vehicles in FY 2019-20, down 20.5% compared to 32,797 vehicles in FY 2018-19, and Land Rover retails were 64,063 vehicles in FY 2019-20, down 3.1% compared to 66,125 vehicles in FY 2018-19.

Other Overseas markets

Conditions in other overseas markets remained challenging in FY 2019-20 with bushfires in Australia, tensions and conflict in the Middle East, and sluggish growth in Russia which hampered demand and the trade tensions between the US and China impacting sales in Asia, notably South Korea. Jaguar Land Rover's retail volumes in other overseas markets decreased by 20.3% to 75,540 vehicles in FY 2019-20 compared to 94,734 units in the FY 2018-19. By brand, Jaguar retails were 16,569 vehicles in FY 2019-20, down 26.8% compared to 22,644 vehicles in FY 2018-19, and Land Rover retails were 58,971 vehicles in FY 2019-20, down 18.2% compared to 72,090 vehicles in FY 2018-19.

Jaguar Land Rover's Sales & Distribution

As at March 31, 2020, Jaguar Land Rover distributes its vehicles in 124 markets for Jaguar and 128 markets for Land Rover globally. Sales locations for vehicles are operated as independent franchises. Jaguar Land Rover are represented in its key markets through its National Sales Company's ('NSC's') as well as third party importers. Jaguar and Land Rover have regional offices in certain select countries that manage customer relationships and vehicle supplies and provide marketing and sales support to 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 do 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, 2020, Jaguar Land Rover global sales and distribution network comprised 23 NSCs, 77 importers, 2 export partners and 2,874 franchise sales dealers, of which 1,323 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. 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, including information technology services, machine tools and factory automation services. The Company's revenue from other operations before inter-segment eliminations was ₹3,047 crores in FY 2019-20, a decrease of 16.0% from ₹3,626 crores in FY 2018-19. Revenues from other operations represented 1.2% of total revenues, before inter-segment eliminations, in FY 2019-20 and FY 2018-19.

A. OPERATING RESULTS

All financial information discussed in this section is derived from our Audited Consolidated Financial Statements.

We have adopted Ind AS 116 with a modified retrospective approach. Accordingly, we have presented our prior comparative period without applying the principles Ind AS 116. Refer to Note 2(x) of our consolidated financial statements section.

Overview

In FY 2019-20 income from operations including finance revenues decreased by 13.5% to ₹2,61,068 crores in FY 2019-20 from ₹3,01,938 crores in FY 2018-19. The decrease was mainly attributable to lower sales volumes from both Tata Motors and Jaguar Land Rover and an unfavorable currency translation from GBP to INR. The net loss (attributable to Shareholders of our Company) was ₹12,071 crores in FY 2019-20, as compared to a loss of ₹28,826 crores in FY 2018-19. In FY 2019-20 we have taken an impairment charge and provision for onerous contract of ₹2,549 crores for our Passenger Vehicle segment as against ₹27,838 crores in FY 2018-19 for Jaguar Land Rover business. The loss in FY 2019-20 was driven by the subdued performance of Tata Motors along with Jaguar Land Rover, including higher variable marketing expenses/selling costs.

Automotive operations

Automotive operations are our most significant segment, accounting for 99.3% and 99.2% of our total revenues in FY 2019-20 and FY 2018-19, respectively. In FY 2019-20, revenue from automotive operations before inter-segment eliminations was ₹2,59,292 crores as compared to ₹2,99,656 crores in FY 2018-19.

	FY 2019-20	FY 2018-19	Change %
Total revenue (₹ in crores)	2,59,292	2,99,656	(13.5)
Earning before other income, interest and tax (₹ in crores)	(43)	3,389	(101.3)
Earning before other income, interest and tax (% to total revenue)	(0.02)%	1.1%	

Our automotive operations segment is further divided into four reporting segments: Tata Commercial Vehicles, Tata Passenger Vehicles, Jaguar Land Rover and Vehicle financing.

In FY 2019-20, Jaguar Land Rover contributed 80% of our total automotive revenue compared to 75% in FY 2018-19 (before intra-segment elimination) and the remaining 20% was contributed by Tata and other brand vehicles and Financing in FY 2019-20 compared to 25% in FY 2018-19.The following table sets forth selected data from Tata and other brand vehicles (including vehicle financing) and Jaguar Land Rover in FY 2019-20 and FY 2018-19 and the percentage change from period to period (before intra-segment eliminations) is set forth in the table below.

	FY 2019-20	FY 2018-19	Change
	(₹ in crores)		%
Tata and other brand vehicles including vehicle financing	51,322	76,418	(32.8)
Jaguar Land Rover	2,08,040	2,23,514	(6.9)
Intra-segment elimination	(70)	(276)	74.6%
Total	**2,59,292**	**2,99,656**	**(13.5)**

The Tata and other brand vehicles including vehicle financing consists of following categories:

	FY 2019-20	FY 2018-19	Change
	(₹ in crores)		%
Commercial Vehicles	36,329	58,137	(37.5)
Passenger Vehicles	10,482	14,467	(27.6)
Vehicle Financing	4,295	3,700	16.1
Unallocable	216	111	94.6%
TOTAL	**51,322**	**76,418**	**(32.8)**

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 2019-20	FY 2018-19	Change (%)
Total revenue (₹ in crores)	3,047	3,626	(16.0)
Earning before other income, interest and tax (₹ in crores)	382	505	(24.4)
Earning before other income, interest and tax (% to total revenue)	12.5%	13.9%	

Geographical Breakdown

As a result of account of COVID-19 pandemic, there is a significant reduction in revenue across most geographical markets in FY 2019-20, the decline was lower in United States and China as compared to other economies. In FY 2019-20 percentage of revenues in China and the United States have improved as compared to FY 2018-19. China witnessed a double digit growth in volumes in second and third quarter of FY 2019-20 and a decline on account of impact of COVID-19 in fourth quarter of FY 2019-20, thus resulting in marginal decline in revenues as compared to FY 2018-19. Further, in FY 2019-20, the revenue of our subsidiary in South Korea, TDCV, declined due to lower industry volumes and aggressive discounting and marketing strategy of importers. Due to decreased revenue in India, on account of lower volumes as explained above in FY 2019-20, the proportion of our net sales earned from geographic markets outside of India increased from 77.4% in FY 2018-19 to 82.0% in FY 2019-20. The following table sets forth our revenue from our key geographical markets:

Revenue	FY 2019-20		FY 2018-19	
	(₹ in crores)	%	(₹ in crores)	%
India	47,094	18.0%	68,087	22.5%
China	29,820	11.4%	30,415	10.1%
UK	42,443	16.3%	49,114	16.3%
United States	52,030	19.9%	52,473	17.4%
Rest of Europe	43,227	16.6%	49,814	16.5%
Rest of World	46,454	17.8%	52,035	17.2%
Total	**2,61,068**		**3,01,938**	

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 2019-20	FY 2018-19
	(%)	(%)
Revenue from operations	100.0	100.0
Expenditure:		
Cost of material consumed (including change in stock)	64.0	65.0
Employee Cost	11.7	11.0
Product development/Engineering expenses	1.6	1.4
Other expenses (net)	21.8	20.6
Amount transferred to capital and other accounts	(6.7)	(6.5)
Total Expenditure	92.4	91.5
Profit before other income, Depreciation and amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax	7.6	8.5
Other Income	1.1	1.0
Profit before Depreciation and Amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax	8.7	9.5
Depreciation and Amortization	8.2	7.8
Finance costs	2.8	1.9
Foreign exchange loss (net)	0.7	0.3
Exceptional Item (gain)/loss (net)	1.1	9.9
Profit/(loss) before tax	(4.1)	(10.4)
Tax expense / (credit)	0.1	(0.8)
Profit/(loss) after tax	(4.2)	(9.6)

	FY 2019-20 (%)	FY 2018-19 (%)
Share of profits/(loss) of equity accounted investees (net)	(0.4)	0.1
Minority Interest	-	-
Profit/(loss) for the year	(4.6)	(9.5)
EBITDA	8.4	8.9
EBIT	(0.2)	1.2

EBITDA –is defined to include the product development expenses charged to P&L, revaluation of current assets and liabilities and realized FX and commodity hedges but excludes the revaluation of foreign currency debt, 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.

Our total consolidated revenue from operations including finance revenue, decreased by 13.5% to ₹2,61,068 crores in FY 2019-20 from ₹3,01,938 crores in FY 2018-19. Revenue from the sale of vehicle decrease to ₹2,18,983 crores in FY 2019-20 as compared to ₹2,58,567 crores, decrease of 15.3%. We sold 9,61,463 vehicle in FY 2019-20, as compared to 1,274,072 vehicles in FY 2018-19.

The revenue of our Tata brand vehicles including vehicle finance decreased by 32.8% to ₹51,322 crores in FY 2019-20 from ₹76,418 crores in FY 2018-19, due to decreased volumes in all vehicle categories. The revenue from Tata commercial vehicle was ₹36,329 crores in FY 2019-20 as compared to ₹58,137 crores in FY 2018-19, a decrease of 37.5%. The revenue from Tata Passenger Vehicles was ₹10,482 crores in FY 2019-20 as compared to ₹14,470 crores in FY 2018-19, a decrease of 27.6%. Our revenues from sales of vehicles and spare parts manufactured in India decreased by 36.1% to ₹43,865 crores in FY 2019-20 from ₹68,621 crores in FY 2018-19.

The revenue from Passenger Cars in India decreased by 42.5% to ₹2,832 crores in FY 2019-20 from ₹4,922 crores in FY 2018-19 and Utility Vehicles decreased by 19.0% to ₹4,168 crores in FY 2019-20 from ₹5,143 crores in FY 2018-19. Further, revenues from MHCVs decreased by 53.1% to ₹14,006 crores in FY 2019-20 from ₹29,863 crores. ILCVs decreased by 25.8% to ₹3,693 crores in FY 2019-20 from ₹4,979 crores in FY 2018-19. Revenues of SCVs & Pickups in India decreased by 25.0% to ₹3,826 crores in FY 2019-20 from ₹5,101 crores in FY 2018-19 and CV Passenger Vehicles revenue decreased by 2.5% to ₹3,936 crores in FY 2019-20 from ₹4,038 crores in FY 2018-19.

Revenue attributable to TDCV, decreased by 21.1% to ₹3,134 crores in FY 2019-20 from ₹3,973 crores in FY 2018-19, primarily due to lower industry volumes, aggressive discounting and marketing strategies of importers and impact of COVID-19 pandemic in March 2020 quarter and reduction in the export sales in FY 2019-20.

Revenue from our Vehicle Financing operations increased by 16.1% to ₹4,295 crores in FY 2019-20, as compared to ₹3,700 crores in FY 2018-19. This is mainly due to increase in average loan book and upfront recognition of excess interest spread (EIS) on the direct assignment transaction undertaken during FY 2019-20 in TMFL.

The revenue of our Jaguar Land Rover business decreased by 6.9% to ₹2,08,040 crores in FY2019-20 from ₹2,23,514 crores in FY 2018-19. This was partially attributed to an unfavorable translation of ₹4,021 crores from GBP to Indian rupees in FY 2019-20. Excluding currency translation, the revenue of Jaguar Land Rover decreased by 5.1%. There was a decrease of 6.3% in sales volume of Jaguar Land Rover vehicle as compared to FY 2018-19. Out of which Jaguar brand vehicles sales were 1,25,820 units in FY 2019-20 from 1,53,757 units in FY 2018-19, a decrease of 18.2%, and Land Rover vehicles sales from 3,54,138 units in FY 2018-19 to 3,50,132 units in FY 2019-20, a decrease of 1.1% (volumes excluding the China Joint Venture).

Revenue from other operations (before inter-segment eliminations) decreased by 16.0% to ₹3,047 crores in FY 2019-20 compared to ₹3,626 crores in FY 2018-19. This is mainly on account of revenue of TAL Manufacturing Solutions Limited of ₹458 crores included in FY 2018-19, which was sold to Tata Advanced Systems Ltd. (TASL) on March 30, 2019.

Raw Materials, Components and Purchase of Products for Sale (including change in inventories of finished goods and work-in-progress) ('material costs')

Material costs decreased by 14.9% to ₹1,67,126 crores in FY 2019-20 from ₹1,96,321 crores in FY 2018-19, in line with reduction in revenue. As a percentage of revenue material costs are 64.0% in FY 2019-20, as compared to 65.0% in FY 2018-19.

Material costs for Tata Commercial Vehicles and Tata Passenger Vehicles decreased by 34.5% to ₹34,353 crores in FY 2019-20 from ₹52,444 crores in FY 2018-19, primarily due to a decrease in volumes. Further, material costs as a percentage of total revenue increased to 72.3% in FY 2019-20, as compared to 72.0% in FY 2018-19, primarily due to an unfavourable product mix leading to lower contribution margins.

For our India operations, material costs in the Passenger Vehicles segment decreased by 41.5% to ₹2,471 crores in FY 2019-20, as compared to ₹4,227 crores in FY 2018-19 for our Passenger Cars due to decreased sales. Utility Vehicles material costs decreased by 21.0% to ₹3,352 crores in FY 2019-20, as compared to ₹4,243 crores in FY 2018-19, mainly due to decreased volumes. Material costs for ILCVs decreased by 26.8% to ₹2,702 crores in FY 2019-20, as compared to ₹3,689 crores in FY 2018-19, and for MHCVs decreased by 49.4% to ₹10,688 crores in FY 2019-20, as compared to ₹21,103 crores in FY 2018-19. Material costs for SCVs & Pickups also decreased by 24.2% to ₹2,946 crores in FY 2019-20, as compared to ₹3,888 crores in FY 2018-19 and material costs for CV Passenger Vehicles marginally decreased to ₹3,222 crores in FY 2019-20, as compared to ₹3,235 crores in FY 2018-19. The decrease was due to lower volumes in FY 2019-20. Further, material costs as a percentage of revenue decreased to 66.9% in FY 2019-20, as compared to 68.8% in FY 2018-19.

Material costs decreased by 20.7% to ₹2,144 crores in FY 2019-20, as compared to ₹2,705 crores in FY 2018-19 for TDCV, primarily due to lower volumes, particularly in the domestic market. As a percentage of total revenue, material cost increased to 68.4% in FY 2019-20, compared to 68.1% in FY 2018-19, primarily due to product mix.

At our Jaguar Land Rover operations, material costs in FY 2019-20 decreased by 7.6% to ₹1,32,408 crores, from ₹1,43,349 crores in FY 2018-19. The decrease was partially offset by favourable currency translation from GBP to Indian rupees of ₹2,384 crores. Excluding currency translation, material costs attributable to our Jaguar Land Rover operations decreased by GB£986 million (6.3%) in FY 2019-20, mainly due to a 6.3% decrease in sales volume and product mix. Material costs at our Jaguar Land Rover operations as a percentage of revenue decreased to 63.9% in FY 2019-20, from 64.7% in FY 2018-19 (in GBP terms).

Employee Costs

Our employee costs decreased by 8.4% in FY 2019-20 to ₹30,439 crores from ₹33,244 crores in FY 2018-19, including the foreign currency translation impact from GBP to Indian rupees, discussed below.

Our permanent headcount decreased by 4.7% as at March 31, 2020 to 78,906 employees from 82,797 employees as at March 31, 2019, primarily due to voluntary early separations that commenced in Q4 FY 2018-19 at Jaguar Land Rover and at Tata Daewoo in FY 2019-20. The average temporary headcount has also decreased to 19,169 employees in FY 2019-20 from 31,647 employees in FY 2018-19, mainly due to reduction of volumes.

The employee costs for Tata Commercial Vehicles and Tata Passenger Vehicles decreased marginally by 1.0% to ₹5,767 crores in FY 2019-20 from ₹5,826 crores in FY 2018-19.

For our India operations, employee costs increased marginally to ₹4,807 crores in FY 2019-20 from ₹4,777 crores in FY 2018-19, mainly due to regular annual increases in salary and wage agreements at our various plants. The permanent headcount decreased by 6.3% as at March 31, 2020 to 39,012 employees from 41,655 employees as at March 31, 2019. The average temporary headcount decreased by 41.8% to 15,674 employees in FY 2019-20 from 26,913 employees in FY 2018-19, due to reduced volumes. At TML, the parent Company, employee cost increased to ₹4,384 crores in FY 2019-20 compared to ₹4,273 crores in FY 2018-19. The employee cost as a percentage of revenue increased to 10.0% in FY 2019-20 from 6.2% in FY 2018-19, mainly due to decreased revenues.

Employee costs at TDCV were decreased to ₹759 crores in FY 2019-20 as compared to ₹828 crores in FY 2018-19 primarily due to abolishment of certain overtime in FY 2019-20. Further, voluntary early separation was given in FY 2019-20.

The employee costs at Jaguar Land Rover decreased by 10.5% to ₹23,206 crores (GB£2,568 million) in FY 2019-20 from ₹25,931 crores (GB£2,820 million) in FY 2018-19, primarily due to leavers under the restructuring program that commenced in the fourth quarter of FY 2018-19. There were favourable foreign currency translation impact from GBP to Indian rupees of ₹435 crores. The employee costs as a percentage of revenue decreased to 11.2% in FY 2019-20 from 11.6% in FY 2018-19. Jaguar Land Rover headcount decreased by 5.1% as at March 31, 2020 to 39,590 employees from 41,710 employees as at March 31, 2019. Jaguar Land Rover average permanent headcount decreased by 2.6% in FY 2019-20 to 36,473 employees from 37,434 employees in FY 2018-19, whereas, the average temporary headcount decreased to 3,117 employees in FY 2019-20 from 4,276 employees in FY 2018-19.

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 1.6% and 1.4% of total revenues ₹4,188 crores and ₹4,225 crores for FY 2019-20 and FY 2018-19, respectively

Other Expenses

Other expenses decreased by 8.3% to ₹57,087 crores in FY 2019-20 from ₹62,238 crores in FY 2018-19. There was a favourable foreign currency translation of GBP to Indian rupees of ₹827 crores pertaining to Jaguar Land Rover. As a percentage of total revenues, these expenses marginally increased to 21.9% in FY 2019-20 from 20.6% in FY 2018-19. The major components of expenses are as follows:

(₹ In crores)

	FY 2019-20	FY 2018-19	% Change
Freight and transportation expenses	6,484	7,804	(16.9)
Works operation and other expenses	17,847	20,083	(11.1)
Publicity	7,614	8,730	(12.8)
Allowance for trade and other receivables, and finance receivables	763	534	42.9
Warranty and product liability expenses	10,885	11,891	(8.5)
Processing charges	1,070	1,634	(34.5)
Stores, spare parts and tools consumed	1,501	2,444	(38.6)
Power and fuel	1,265	1,586	(20.2)
Information technology/computer expenses	2,372	2,341	1.3
Engineering expenses	6,598	5,276	25.1
MTM (gain)/loss on commodity derivatives	688	(85)	(909.4)
TOTAL	**57,087**	**62,238**	

1. Freight and transportation expenses decreased by 16.9% to ₹6,484 crores in FY 2019-20, due to lower volumes of both at Jaguar Land Rover and Tata Motors Limited.

2. Our works operation and other expenses represented 6.8% and 6.7% of total revenue in FY 2019-20 and FY 2018-19, respectively. Other expenses mainly relate to volume-related expenses at Jaguar Land Rover and Tata Motors Limited. On absolute terms, the expenses decreased to ₹17,847 crores in FY 2019-20 from ₹20,083 crores in FY 2018-19. The decrease is also due to adoption of Ind AS 116 from April 1, 2019, resulting in lease rent expenses now recorded as part of depreciation and amortization and interest cost of ₹1,584 crores.

3. Publicity expenses were 2.9% of our total revenues both in FY 2019-20 and FY 2018-19. In addition to routine product and brand campaigns, we incurred expenses relating to new product introduction campaigns in FY 2019-20, namely the new Evoque, Defender plus Disco Sport and F-Type refreshes at Jaguar Land Rover, and the Altroz at our India operations.

4. The allowances for finance receivables related to Vehicle Financing segment. These mainly reflect provisions for the impairment of vehicle loans of ₹660 crores for FY 2019-20 as compared to ₹320 crores in FY 2018-19. In the current year, the Company has incurred higher write offs (full/partial) for stage 3 loans (overdue more than 90 days) for cases which are repossessed and sold or where there is no reasonable expectation of recoveries of the entire or a portion thereof of the customer loan balance. The allowances for trade receivables were ₹104 crores in FY 2019-20 as compared to ₹214 crores in FY 2018-19, due to better collections.

5. Warranty and product liability expenses represented 4.2% and 3.9% of our total revenues in FY 2019-20 and FY 2018-19, respectively. The warranty expenses at Jaguar Land Rover increased to GB£1,131 million (4.9% of the revenue) in FY 2019-20 as compared to GB£1,016 million (4.2% of revenue) in FY 2018-19, mainly due to higher level of warranty campaigns and updated estimates of cost. The increase of Jaguar Land Rover was primarily driven by higher level of warranty campaigns and due to TDV6 and updated estimates of costs in relation to existing campaigns during FY 2019-20. For Tata Motors' Indian operations, these represent 1.2% and 1.5% of the revenue for FY 2019-20 and FY 2018-19, respectively.

6. Engineering expenses increased by 25.1 % to ₹6,599 crores in FY 2019-20 representing 2.5% of total revenue as compare to

₹5,276 crores in FY 2018-19. This is mainly increase on account of expenses increased at Jaguar Land Rover. A significant portion of these costs are capitalized and shown under the line item "expenditure capitalized" discussed below.

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 11.0% to ₹17,503 crores in FY 2019-20 from ₹19,660 crores in FY 2018-19. The decrease was netted by an unfavourable foreign currency translation impact from GBP to Indian rupees of ₹279 crores pertaining to Jaguar Land Rover.

Other income

There was other income of ₹2,973 crores in FY 2019-20, as compared to ₹2,965 crores in FY 2018-19, representing no major change.

- Interest income increased to ₹1,170 crores in FY 2019-20, compared to ₹786 crores in FY 2018-19, mainly increased on fixed deposit at both Tata Motors Limited and Jaguar Land Rover.
- Profit on sale of investments measured at fair value is ₹187 crores FY 2019-20 as compared to ₹128 crores in in FY 2018-19.
- Incentive from government has increased to ₹1,984 crores in FY 2019-20 as compared to ₹1,794 crores in FY 2018-19. Government incentive includes exports and other incentives of ₹613 crores and ₹1,371 crores received by foreign subsidiaries on Tax credit on qualifying expenditure for research and development in FY 2019-20.
- These were partially offset by MTM loss on investments fair valued at ₹389 crores in FY 2019-20 primarily driven by fair value reduction of Lyft investment at Jaguar Land Rover.

Depreciation and Amortization

Our depreciation and amortization expenses decreased by 9.2% in FY 2019-20, the breakdown of which is as follows:

(₹ in crores)

	FY 2019-20	FY 2018-19
Depreciation	10,610	12,201
Amortization	9,699	11,390
Amortization of Leased Assets (RTU)	1,116	-
Total	**21,425**	**23,591**

The decrease in depreciation and amortization expenses is mainly due to impairment recognized in third quarter of FY 2018-19, along with favourable foreign currency translation from GBP to Indian rupees of ₹326 crores pertaining to Jaguar Land Rover. This is partially offset by new product launches Evoque, Defender and Discovery sport launched by Jaguar Land Rover and Altroz launched by Tata Motors India operations. Amortization of Right of Use (ROU) assets done during FY 2019-20 on account of adoption of Ind AS 116.

Finance Cost (interest expenses)

Our interest expense (net of interest capitalized) increased by 25.8% to ₹7,243 crores in FY 2019-20 from ₹5,759 crores in FY 2018-19. As a percentage of total revenues, interest expense represented 2.8% and 1.9% in FY 2019-20 and FY 2018-19, respectively. The interest expense (net) for Jaguar Land Rover was GB£209 million (₹1,867 crores) in FY 2019-20, as compared to GB£111 million (₹990 crores) in FY 2018-19. The increase in interest expense primarily reflects interest accrued on the EU€500 million 5.875% senior notes and EU€500 million 6.875% senior notes issued in November 2019, offset by higher capitalized interest. For Tata Commercial Vehicles and Tata Passenger Vehicles, interest expense increased by 12.4% to ₹5,379 crores in FY 2019-20 from ₹4,776 crores in FY 2018-19, mainly due to higher borrowings partially offset by lower interest rates. For the Vehicle Financing business, interest expense increased by 17.5% to ₹3,079 crores in FY 2019-20 from ₹2,616 crores in FY 2018-19, mainly due to higher borrowings on account of increased business.

Foreign exchange (gain)/loss (net)

We had a net foreign exchange loss of ₹1,739 crores in FY 2019-20, compared to ₹906 crores in FY 2018-19.

- Jaguar Land Rover recorded an exchange loss of ₹1,252 crores in FY 2019-20, as compared to loss of ₹862 crores in FY 2018-19. There was a net exchange loss on senior notes and other borrowings of GB£135 million in FY 2019-20, as compared to a loss of GB£45 million in FY 2018-19, due to GBP weakening against USD and EUR in FY 2019-20. There was a gain of GB£20 million in FY 2019-20, as compared to a loss of GB£66 million in FY 2018-19, 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£23 million in FY 2019-20, as compared to a gain of GB£16 million in FY 2018-19.
- For India operations, we incurred a net exchange loss of ₹237 crores in FY 2019-20, as compared to ₹226 crores in FY 2018-19, 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 ₹253 crores in FY 2019-20, as compared to a gain of ₹180 crores in FY 2018-19.

Exceptional Item (gain)/loss (net)

(₹ in crores)

	FY 2019-20	FY 2018-19
Employee separation cost	436	1,371
Defined benefit pension plan amendment past service cost	-	148
Provision/write off/(reversal)(net) of impairment of capital work-in-progress and intangibles under development (net)	(73)	181
Provision of Impairment of Passenger Vehicle Business	1,419	-
Provision for Onerous Contracts	777	-
Provision/(reversal) for cost of closure of operation of a subsidiary	(66)	381
Provision for impairment in Jaguar Land Rover	-	27,838
Profit on sale of investment in a subsidiary Company	-	(377)
Provision for impairment in subsidiaries	353	-
Provision for loan given to Joint ventures	25	-
Others	-	109
Total	**2,871**	**29,651**

Employee separation cost

During the year ended March 31, 2020, Tata Daewoo Commercial Vehicles and Jaguar Land Rover has announced a voluntary redundancy programme and accordingly had a charge of ₹174 crores and ₹260 cores, respectively.

Defined benefit pension plan amendment past service cost

In FY 2018-19, the High Court in the United Kingdom ruled that pension schemes are required to equalize benefits for male and female members under the guaranteed minimum pension that members earned between May 17, 1990 and April 5, 1997. Based on this ruling, we reassessed our obligations under the existing Jaguar Land Rover pension plans and recorded an additional liability of ₹148 crores (GB£17 million).

Provision/write off/(reversal)(net) of impairment of capital work-in-progress and intangibles under development (net)

Exceptional amount of credit of ₹73 crores and debit of ₹181 crores during the year ended March 31, 2020 and 2019, respectively are related to write off/(reversal) of provision for impairment of certain capital work-in-progress and intangibles under development.

Provision of Passenger Vehicle Business

During the FY 2019-20 we performed an impairment assessment for the Passenger Vehicle segment of Tata Motors Limited which represent a separate cash-generating unit (CGU) for the Company as at March 31, 2020, due to market conditions. The recoverable value was determined by Fair Value less Cost of Disposal ('FVLCD'), which was higher than the Value in Use ('VIU') of the relevant assets of the CGU. The recoverable amount was lower than the carrying value of the CGU and this resulted in an impairment charge of ₹1,419 crores recognised as at March 31, 2020.

Provision for Onerous Obligations

During the quarter and year ended March 31, 2020, a provision of ₹777 crores has been recognized for certain supplier contracts, which have become onerous, as the Company estimates that it will procure lower quantities than committed and the costs will exceed the future economic benefit.

Provision/(reversal) for cost of closure of operation of a subsidiary

On July 31, 2018, we decided to cease current operations of Tata Motors (Thailand) Ltd. We will now address the Thailand market with a revamped product portfolio, suitable to the local market needs, delivered through a CBU distribution model. Accordingly, the relevant restructuring cost of ₹381 crores have been accounted during FY 2018-19. Basis the payments till March 31, 2020, there is a reversal of restructuring cost of ₹66 crores during FY 2019-20, basis actual cash outflow as 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 were 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 impairment in Jaguar Land Rover

In FY 2018-19, we took an impairment charge of ₹27,838 crores. We had assessed the recoverable amount of Jaguar Land Rover business, which represents a single CGU, as the higher of Fair Value less Cost of Disposal ('FVCLD') and VIU of the relevant assets of the CGU, due to weaker sales and profitability, changes in market conditions, especially in China, and technological disruptions.

Provision for loan given to Joint venture

During the year ended March 31, 2020, we created provision for loans given to certain Joint ventures.

Others

In FY 2018-19, the Company has entered into an agreement for transfer of its Defence undertaking, which had a value of ₹209 crores as at December 31, 2017 to Tata Advanced Systems Ltd. (transferee Company), for an upfront consideration of ₹100 crores and a future consideration of 3% of the revenue generated from identified Specialized Defence Projects for up to 15 years from FY 2019-20 subject to a maximum of ₹1,750 crores. The future consideration of 3% of revenue depends on future revenue to be generated from the said projects by the transferee Company. On account of the same, the Company had recognized a provision of ₹109 crores in FY 2018-19.

Tax expenses / (credit)

Our income tax expenses is ₹395 crores in FY 2019-20 from tax credit of ₹2,437 crores in FY 2018-19, resulting in consolidated effective tax rates of 3.7% and 7.8%, for FY 2019-20 and FY 2018-19, respectively.

Tax rates applicable to individual entities increased to 25.7% for FY 2019-20, as compared to 17.2% in FY 2018-19.

The reasons for significant differences in the Company's recorded income tax expenses of ₹395 crores in FY 2019-20, as compared to ₹2,437 crores in FY 2018-19, are mainly the following:

- During FY 2019-20, Tata Motors Limited, on a standalone basis, did not recognize a deferred tax asset, amounting to ₹2,922 crores on losses, due to the uncertainty of future taxable profit as compared to ₹188 crores of minimum alternate tax credit during FY 2018-19.
- Furthermore, during FY 2019-20, deferred tax assets totalling ₹270 crores, was not recognize in certain subsidiaries and joint operations of which ₹248 crores on tax losses due to the uncertainty of realisation and ₹22 crores on minimum alternate tax as compared to ₹286 crores in FY 2018-19, were not recognized in certain subsidiaries and joint operations due to uncertainty of realization. However, for certain of the subsidiaries and a joint operation, there was a utilization of unrecognized deferred tax assets of ₹324 crores in FY 2019-20, as compared to ₹702 crores in FY 2018-19.
- Income tax credit on undistributed earnings of subsidiaries was ₹86 crores in FY 2018-19, as compared to expense of ₹128 crores in FY 2018-19, mainly due to losses.
- The impact of change in the statutory tax rate is ₹397 crores in FY 2019-20 as compared to ₹454 crores in FY 2019-20 mainly related to Jaguar Land Rover.
- Additional deduction for patent, research and product development cost of ₹282 crores in FY 2019-20, as compared to ₹189 crores in FY 2018-19, was mainly due to reduction in Research and Development claims at Tata Motors Limited on a standalone basis.
- During FY 2018-19, previously recognized deferred tax assets were written down on account of impairment of Jaguar Land Rover business of ₹2,698 crores.

Profit/(loss) after tax

Our consolidated net loss in FY 2019-20, excluding shares of non-controlling interests, is ₹12,071 crores, reduced from net loss of ₹28,826 crores in FY 2018-19. However, loss before interest and tax of ₹555 crores in FY 2019-20 as compared to profit before interest and tax ₹3,625 crores in FY 2018-19.This was mainly the result of the following factors:

- A profit before other income, interest, foreign exchange gain/ (loss) (net), exceptional items and tax for Jaguar Land Rover of ₹594 crores in FY 2019-20 as compared to loss of ₹1,278 crores in FY 2018-19. The increase in profitability was mainly attributable to reduction in employee cost primarily due to voluntary early separations that commenced in Q4 FY 2018-19 and lower depreciation and amortization expense mainly due to impairment recognized in Q3 FY 2018-19.

- Earnings before other income, interest, foreign exchange gain/(loss) (net), exceptional items and tax for Vehicle Financing amounted to ₹2,855 crores in FY 2019-20, as compared to ₹2,302 crores in FY 2018-19. The increase is due to increase in average loan book and upfront recognition of Excess Interest Spread (EIS) on the direct assignment transaction undertaken during the FY 2019-20 in TMFL.

Offset by

- Loss before other income, interest, foreign exchange gain/(loss) (net), exceptional items and tax for Tata Commercial Vehicles amounted to ₹368 crores in FY 2019-20, as compared to earnings of ₹4,116 crores in FY 2018-19, primarily due to lower volumes and mix.

- Losses before other income, interest, foreign exchange gain/(loss) (net), exceptional items and tax for Tata Passenger Vehicles amounted to ₹2,868 crores in FY 2019-20, as compared to ₹1,388 crores in FY 2018-19, due to decreased 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 2019-20, our share of equity-accounted investees reflected a loss of ₹1,000 crores, as compared to profit of ₹210 crores in FY 2018-19. Our share of profit (including other adjustments) in the China Joint Venture in FY 2019-20 was loss of ₹1,016 crores, as compared to profit of ₹101 crores in FY 2018-19. The losses were mainly due to decrease in volumes and lower tax rebates.

The share of non-controlling interests in consolidated subsidiaries was decreased to ₹96 crores in FY 2019-20 from ₹102 crores in FY 2018-19.

B. BALANCE SHEET

Below is a discussion of major items and variations in our consolidated balance sheet as at March 31, 2020 and 2019, included elsewhere in this Annual Report.

(₹ in crores)

		As at March 31,		Change	Translation of JLR	Net Change
		2020	2019			
ASSETS						
(a)	Property, plant and equipment and intangible assets	1,61,952	1,42,370	19,582	4,254	15,328
(b)	Goodwill	777	748	29	-	29
(c)	Investment in equity accounted investees	4,419	5,335	(916)	109	(1,025)
(d)	Financial assets	98,922	1,03,405	(4,483)	1,564	(6,047)
(e)	Deferred tax assets (net)	5,458	5,151	307	158	149
(f)	Current tax assets (net)	1,295	1,209	86	3	83
(g)	Other assets	11,647	9,801	1,846	275	1,571
(h)	Inventories	37,457	39,014	(1,557)	1,048	(2,605)
(i)	Assets classified as held-for-sale	194	162	32	-	32
	TOTAL ASSETS	**3,22,121**	**3,07,195**	**14,926**	**7,411**	**7,515**
EQUITY AND LIABILITIES						
	EQUITY	63,892	60,703	3,189	1,982	1,207
	LIABILITIES					
(a)	Financial liabilities:	2,12,456	1,98,463	13,993	4,141	9,852
(b)	Provisions	25,066	22,052	3,014	695	2,319
(c)	Deferred tax liabilities (net)	1,942	1,491	451	54	397
(d)	Other liabilities	17,725	23,468	(5,743)	509	(6,252)
(e)	Current tax liabilities (net)	1,040	1,018	22	30	(8)
	TOTAL LIABILITIES	**2,58,229**	**2,46,492**	**11,737**	**5,429**	**6,308**
	TOTAL EQUITY AND LIABILITIES	**3,22,121**	**3,07,195**	**14,926**	**7,411**	**7,515**

Our total assets were ₹3,22,121 crores and ₹3,07,195 crores as at March 31, 2020 and 2019, respectively. The increase by 4.9% in assets as at March 31, 2020 takes into account a favourable foreign currency translation from GBP into Indian rupees as described below.

Our total current assets decreased by ₹3,844 crores to ₹1,19,587 crores or 3.1% as at March 31, 2020, as compared to ₹1,23,431 crores as at March 31, 2019.

Cash and cash equivalents decreased by 14.3% to ₹18,468 crores as at March 31, 2020, compared to ₹21,560 crores as at March 31, 2019, which also includes an favourable foreign currency translation of ₹390 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, 2020, Jaguar Land Rover held the GBP equivalent of ₹12,072 crores, which consists of surplus cash deposits for future use. As at March 31, 2020, we had short-term deposits of ₹14,829 crores, as compared to ₹10,574 crores as of March 31, 2019, an increase of 40.2%, reflecting an increase in the value of deposits invested over a term of three months or longer mainly at Jaguar Land Rover.

As at March 31, 2020, we had finance receivables, including the non-current portion (net of allowances for credit losses), of ₹31,079 crores, as compared to ₹33,625 crores as at March 31, 2019, a decrease of 7.6%, primarily due to slowdown in the Commercial Vehicles market in India, leading to lower disbursal of vehicle financing, which contributed to the decrease in net finance receivables. Gross finance receivables were ₹31,730 crores as at March 31, 2020, as compared to ₹34,458 crores as at March 31, 2019. Vehicle financing is integral to our automotive operations in India.

Trade receivables (net of allowance for doubtful receivables) were ₹11,173 crores as at March 31, 2020, representing a decrease of ₹7,824 crores or 41.2% over March 31, 2019. The decrease was partially offset by a favourable foreign currency translation of ₹252 crores from GBP to Indian rupees. Trade receivables at Tata and other brand vehicles (including vehicle finance) decreased by 52.1% to ₹3,102 crores as at March 31, 2020 from ₹6,474 crores as at March 31, 2019, primarily on account of lower sales volume due to the COVID-19 pandemic. The trade receivables of Jaguar Land Rover were ₹7,586 crores as at March 31, 2020, as compared to ₹12,064 crores as at March 31, 2019. The past dues for more than six months (gross) increased from ₹1,516 crores as at March 31, 2019 to ₹1,744 crores as at March 31, 2020. These mainly represent dues from government-owned transport undertakings and Passenger Vehicle dealers, for which we are pursuing recovery.

As at March 31, 2020, inventories were at ₹37,457 crores, compared to ₹39,014 crores as at March 31, 2019, a decrease of 4.0%. The decrease in finished goods inventory was ₹1,881 crores from ₹31,513 crores as at March 31, 2019 to ₹29,632 crores as at March 31, 2020, mainly due to a decrease in volumes at both Tata Motors India operations and Jaguar Land Rover business. This decrease was offset by a favourable currency translation of ₹1,048 crores from GBP to Indian rupees. In terms of number of days to sales, finished goods represented 42 inventory days in sales in FY 2019-20, as compared to 39 inventory days in FY 2018-19, mainly due to lower revenues.

Our investments (current and non-current investments) increased to ₹11,890 crores as at March 31, 2020 from ₹10,436 crores as at March 31, 2019, representing an increase of 13.9%. Our investments mainly comprise mutual fund and money market funds investments of ₹10,862 crores as at March 31, 2020, as compared to ₹8,966 crores as at March 31, 2019. Investments attributable to Jaguar Land Rover were ₹9,515 crores as at March 31, 2020, as compared to ₹8,368 crores as at March 31, 2019, an increase of 13.1%. Tata Motors Limited (Parent) on Standalone basis has investments in mutual funds of ₹885 crores as at March 31, 2020, as compared to ₹1,102 crores as at March 31, 2019.

Our other assets (current and non-current) increased by 18.8% to ₹11,646 crores as at March 31, 2020 from ₹9,801 crores as at March 31, 2019. The increase is mainly attributable to the UK defined benefit pension scheme at Jaguar Land Rover consequent to changes in actuarial assumptions causing the defined benefit schemes to move to a net asset position.

Our other financial assets (current and non-current) increased to ₹9,336 crores as at March 31, 2020 from ₹6,023 crores as at March 31, 2019. Derivative financial instruments (representing options and other hedging arrangements, mainly related to the Jaguar Land Rover business) increased to ₹4,682 crores as at March 31, 2020 from ₹2,147 crores as at March 31, 2019, predominantly due to the strengthening of the GBP compared to EURO and therefore the increasing fair value of derivative contracts. Margin money and cash collateral with banks and deposit with financial institutions increased to ₹1,537 crores as at March 31, 2020 from ₹829 crores as at March 31, 2019.

Income tax assets (both current and non-current) increased by 7.1% to ₹1,295 crores as at March 31, 2019 from ₹1,209 crores as at March 31, 2019 mainly increase at TMF Group.

Property, plants and equipment (net of depreciation) increased by 7.2% from ₹72,620 crores as at March 31, 2019 to ₹77,883 crores as at March 31, 2020. The increase is partly due to a favourable foreign currency translation of ₹1,860 crores from GBP to Indian rupees. After adjusting for the foreign currency translation impact, an increase of ₹4,088 crores is mainly includes gross addition of ₹5,255 crores for Discovery Sport tooling's and facilities and ₹2,100 crores for tooling's for Defender and addition in building of ₹2,822 crores at Jaguar Land Rover. This is partially offset by depreciation charged during the year for property, plant and equipment and impairment charges taken in Passenger Vehicle business at Tata Motors Limited.

The Company has adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019. The Company has recognized ₹5,584 crores as Right of use assets and lease liability of ₹5,780 crores as on the date of transition i.e. April 1, 2019.

Goodwill as at March 31, 2020 was ₹777 crores, as compared to ₹748 crores as at March 31, 2019. The increase was attributable to favourable translation impact pertaining to software consultancy and the services of our subsidiary, Tata Technologies Limited.

Intangible assets increased by 13.0% from ₹61,212 crores as at March 31, 2019 to ₹69,195 crores as at March 31, 2020. This increase is mainly due to gross addition made to the tune of ₹13,320 crores includes major one being Defender 110, which is partially offset by amortization for the year of ₹9,699 crores and impairment charges taken in Passenger Vehicle business at Tata Motors Limited. This increase is also due to a favourable foreign currency translation of ₹2,000 crores from GBP to Indian rupees. As at March 31, 2020, there were product development projects in progress amounting to ₹27,023 crores as compared to ₹23,346 crores as at March 31, 2019.

Carrying value of investments in equity-accounted investees decreased by 17.2% to ₹4,419 crores as at March 31, 2020, from ₹5,335 crores as at March 31, 2019. The value of investments decreased mainly due to loss for the year FY 2019-20 as compared to profit for FY 2018-19 from the China Joint Venture.

A deferred tax asset (net) of ₹1,498 crores was recorded in our income statement and liabilities of ₹1,667 crores in other comprehensive income, which mainly includes ₹1,383 crores (including currency translation) toward post-retirement benefits and ₹288 crores toward cash flow hedges in FY 2019-20. The net deferred tax asset of ₹3,516 crores was recorded as at March 31, 2020 as compared to ₹3,660 crores as at March 31, 2019.

Accounts payable (including acceptances) were ₹66,398 crores as at March 31, 2020, as compared to ₹71,691 crores as at March 31, 2019, a decrease of 7.4%, reflecting a decrease in operations and unfavourable foreign currency translation of ₹1,759 crores from GBP to Indian rupees.

Other financial liabilities (current and non-current) were ₹40,402 crores as at March 31, 2020, as compared to ₹35,648 crores as at March 31, 2019 (net of a unfavourable currency translation impact of ₹761 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 ₹19,132 crores as at March 31, 2020 from ₹15,034 crores as at March 31, 2019 mainly due to higher repayment of long term borrowings failing in FY2020-21 as compare to FY2019-20. Liability toward vehicles sold under repurchasing arrangements increased to ₹4,483 crores as at March 31, 2020 from ₹4,244 crores as at March 31, 2019, increased mainly due to unfavourable currency translation impact of ₹145 crores and balance due to increase in the repurchase business at Jaguar Land Rover. Derivative financial instruments (representing options and other hedging arrangements, mainly related to Jaguar Land Rover) an increased by 1.8% to ₹7,536 crores as at March 31, 2020 from ₹7,405 crores as at March 31, 2019.

Provisions (current and non-current) increased by 13.7% to ₹25,066 crores as at March 31, 2020 from ₹22,052 crores as at March 31, 2019. Provisions for warranties increased by 10.3% or ₹1,796 crores to ₹19,297 crores as at March 31, 2020, as compared to ₹17,501 crores as at March 31, 2019 mainly due to higher level of warranty campaign and goodwill warranty provisions (e.g. campaigns in China) including an unfavourable foreign currency translation impact of ₹624 crores from GBP to Indian rupees. Furthermore, provisions for residual risk for

Jaguar Land Rover increased to ₹1,637 crores as at March 31, 2020, compared to ₹363 crores as at March 31, 2019, due to deterioration in economic indicators and customer behaviour in a number of key markets (including the US, Canada, and Germany) places downward pressure on used vehicle prices for all OEMs.

Other liabilities (current and non-current) decreased by 24.5% to ₹17,725 crores as at March 31, 2020, as compared to ₹23,469 crores as at March 31, 2019. Employee benefit obligations decreased by 94.4% to ₹342 crores as at March 31, 2020, as compared to ₹6,110 crores as at March 31, 2019, 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 asset position.

Our total debt was ₹1,18,811 crores as at March 31, 2020, as compared to ₹1,06,175 crores as at March 31, 2019, an increase of 11.9%, including an unfavourable currency translation of ₹1,616 crores from GBP to Indian rupees. Short-term debt (including the current portion of long-term debt) marginally increased to ₹35,495 crores as at March 31, 2020, as compared to ₹35,184 crores as at March 31, 2019. Long-term debt (excluding the current portion) increased by 17.4% to ₹83,316 crores as at March 31, 2020 from ₹70,974 crores as at March 31, 2019. Long-term debt (including the current portion) increased by 19.1% to ₹102,448 crores as at March 31, 2020 as compared to ₹85,852 crores as at March 31, 2019.

Total equity was ₹63,892 crores as at March 31, 2020 and ₹60,703 crores as at March 31, 2019.

Equity attributable to Shareholders of Tata Motors Limited increased to ₹63,079 crores as at March 31, 2020 as compared to ₹60,180 crores as at March 31, 2019. This increase is mainly due to gain in pension reserve of ₹7,433 crores as compared to loss ₹2,174 crores, hedging reserve gain of ₹1,958 crores as compared to loss ₹1,158 crores, currency translation reserve gain of ₹2,322 crores as compared to loss of ₹2,069 crores, securities premium of ₹2,981 crores on pursuant to preferential allotment and issue of share warrants of ₹868 crores and reduction in losses of ₹12,071 crores as compared to ₹28,826 crores in FY 2019-20 and FY 2018-19, respectively.

C. CASH FLOW

The following table sets forth selected items from consolidated cash flow statement:

(₹ in crores)

	FY 2019-20	FY 2018-19	Change
Cash from operating activity	**26,633**	**18,891**	**7,742**
Profit/(Loss) for the year	(11,975)	(28,724)	
Adjustments for cash flow from operations	35,328	57,495	
Changes in working capital	5,065	(7,221)	
Direct taxes paid	(1,785)	(2,659)	
Cash used in investing activity	**(34,170)**	**(19,711)**	**(14,459)**
Payment for property, plant and equipment and other intangible assets (net)	(29,531)	(35,236)	
Net investments, short term deposit, margin money and loans given	(6,387)	14,532	
Dividend and interest received	1,748	993	
Net Cash from Financing Activities	**3,390**	**8,830**	**(5,440)**
Dividend Paid (including paid to minority Shareholders)	(57)	(95)	
Interest paid	(7,518)	(7,005)	

(₹ in crores)

	FY 2019-20	FY 2018-19	Change
Net Borrowings (net of issue expenses)	10,965	15,930	
Net increase / (decrease) in cash and cash equivalent	**(4,148)**	**8,010**	**(12,158)**
Cash and cash equivalent, end of the Year	**18,468**	**21,560**	
Free Cash flow	**(2,898)**	**(16,346)**	

Cash and cash equivalents decreased by ₹3,092 crores in FY 2019-20 to ₹18,468 crores from ₹21,560 crores in FY 2018-19, partially offset by a favourable currency translation of ₹390 crores from GBP to Indian rupees. The decrease in cash and cash equivalents (excluding currency translation) resulted from the changes to our cash flows in FY 2019-20 when compared to FY 2018-19 as described below. Net cash provided by operating activities totalled ₹26,633 crores in FY 2019-20, an increase of ₹7,742 crores, as compared to ₹18,891 crores in FY 2018-19.

The net loss is ₹11,975 crores in FY 2019-20 as compared to a loss of ₹28,724 crores in FY 2018-19. The cash flows from operating activities before changes in operating assets and liabilities resulted in a net income of ₹23,352 crores in FY 2019-20 from income of ₹28,771 crores in FY 2018-19. The changes in operating assets and liabilities resulted in a net inflow of ₹5,065 crores in FY 2019-20, as compared to outflow of ₹7,221 crores in FY 2018-19.

In FY 2019-20, the net inflow in vehicle finance receivables was ₹2,021 crores as compared to outflow of ₹9,744 crores in FY 2018-19.

For Tata Commercial Vehicles and Tata Passenger Vehicles there was an inflow of ₹591 crores in FY 2019-20 on account of changes in operating assets and liabilities, compared to an outflow of ₹317 crores in FY 2018-19, which was mainly attributable to an increase in other non-current assets by ₹485 crores.

For Jaguar Land Rover brand vehicles, there was a net inflow of cash on account of changes in operating assets and liabilities accounting to ₹2,462 crores in FY 2019-20, as compared to inflow of ₹3,154 crores in FY 2018-19. This is mainly due to higher trade payables in FY 2019-20 as compared to FY 2018-19.

Income tax paid has decreased to ₹1,785 crores in FY 2019-20, as compared to ₹2,659 crores in FY 2018-19, 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 ₹34,170 crores in FY 2019-20, as compared to ₹19,711 crores for FY 2018-19, an increase of ₹14,459 crores or 73.4%, mainly due to increase in deposits with banks and financial institutions mainly at Jaguar Land Rover.

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 2019-20	FY 2018-19
Tata Commercial Vehicles and Tata Passenger Vehicles including financing	4,332	4,962
Jaguar Land Rover	2.5,139	30,214

In FY 2019-20, payments for capital expenditures at Jaguar Land Rover decreased by 16.8% to ₹25,139 crores from ₹30,214 crores in FY 2018-19. The capital expenditures were intended to support continued investment in new products at Jaguar Land Rover and manufacturing facilities in the United Kingdom, Austria and Slovakia.

Further, in FY 2019-20, payments for capital expenditures at Tata Commercial Vehicles and Tata Passenger Vehicles including financing decreased to ₹4,332 crores from ₹4,962 crores in FY 2018-19. These capital expenditure are related to new products under development, including BSVI.

Our net investment in short-term deposit margin moneys and loans resulted in an outflow of ₹6,387 crores in FY 2019-20, as compared to inflows of ₹14,532 crores in FY 2018-19. The cash outflow in FY 2019-20 of ₹4,992 crores as compare to inflow of ₹14,860 crores in FY 2018-19, mainly related to higher deposits and lower money market funds realized by Jaguar Land Rover.

Net cash inflow from financing activities totalled ₹3,390 crores in FY 2019-20, as compared to ₹8,830 crores in FY 2018-19. For Tata Commercial Vehicles and Tata Passenger Vehicles, the short-term debt decreased by ₹2,719 crores, whereas long-term debt (net) increased by ₹5,285 crores, due to additional borrowings. There was an decrease in debt (short-term and long-term) of ₹3,271 crores in FY 2019-20 at Vehicle Financing, as compared to increase of ₹10,461 crores in FY 2018-19. For Jaguar Land Rover, the short-term debt (net) decreased by ₹1,027 crores and long-term debt (net) increased by ₹6,894 crores in FY 2019-20, due to new borrowings in FY 2019-20.

Interest paid (including discounting charges) was ₹7,518 crores in FY 2019-20, as compared to ₹7,005 crores in FY 2018-19. For Jaguar Land Rover, interest paid was ₹1,863 crores n in FY 2018-19, as compared to ₹1,909 crores in FY 2018-19. For Tata Commercial Vehicles and Tata Passenger Vehicles, interest paid was ₹2,568 crores in FY 2019-20, as compared to ₹2,577 crores in FY 2018-19. For Vehicle Financing, interest paid was ₹3,085 crores in FY 2019-20 as compared to ₹2,505 crores in FY 2018-19.

D. KEY FINANCIAL RATIOS

The details of significant changes (25% or more) in the key financial ratios in FY 2019-20 compared to 2018-19 is as follows:

	FY 2019-20	FY 2018-19	Formula used	Reason for change
Interest coverage ratio (in times)	0.04	0.66	EBIT / Interest expense	Due to higher Interest cost and lower sales at both Tata motors and Jaguar Land Rover, the interest coverage ratio is low.
Net profit margin (%)	(5)	(10)	Net Profit / Revenue from operation	Due to subdued business performance at both Tata Motors Limited and Jaguar Land Rover in FY 2019-20. We have taken an impairment charge and provision for onerous contract of ₹2,549 crores for Passenger Vehicle segment in FY 2019-20 as compare to ₹27,838 crores in FY 2018-19. There has been a loss resulting into negative net profit margin.

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.

Our business segments are (i) automotive operations and (ii) all other operations. We provide financing for vehicles sold by dealers in India. Our automotive operations segment is further divided into Tata Commercial Vehicles, Tata Passenger Vehicles, Jaguar Land Rover and Vehicle Financing. Furthermore, given the nature of our industry and competition, we are required to make significant investments in product development on an ongoing basis.

(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, 2020	As of March 31, 2019
Short-term debt (excluding current portion of long-term debt)	16,363	20,150
Current portion of long-term debt	19,132	15,034
Long-term debt net of current portion	83,316	70,818
Total Debt	**1,18,811**	**1,06,002**

During FY 2019-20 and FY 2018-19, the effective weighted average interest rate on our long-term debt was 5.9% and 6.9% 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, 2020.

Details of Long-term debt	Currency	Initial Principal amounts (millions)	Redeemable on	Interest Rate	Amount repaid during FY 2019-20 (₹ crores)	Outstanding (₹ crores) 31-Mar-20	Outstanding (₹ crores) 31-Mar-19
Non-convertible debentures	₹			Various	3,871	11,899	12,779
Collateralized debt obligations	₹			Various	2,593	4,230	3,047
Buyers credit from bank	Various			Various	25	3,975	2,500
Loan from banks / financial institutions	Various			Various	3,710	37,051	28,153
Compulsory convertible Preference shares	₹			8.780%		789	787

Details of Long-term debt	Currency	Initial Principal amounts (millions)	Redeemable on	Interest Rate	Amount repaid during FY 2019-20 (₹ crores)	Outstanding (₹ crores)	
						31-Mar-20	31-Mar-19
Others							300
Senior Notes							
Tata Motors Limited	US$	250	due 2024	5.750%		1,862	1,719
Tata Motors Limited	US$	300	due 2025	5.875%		2,270	-
Jaguar Land Rover	US$	500	due 2023	5.625%		3,775	3,446
Jaguar Land Rover	GB£	400	due 2023	3.875%		3,726	3,601
Jaguar Land Rover	GB£	400	due 2022	5.000%		3,725	3,597
Jaguar Land Rover	US$	500	due 2027	4.500%		4,235	3,459
TML Holdings Pte. Limited	US$	300	due 2021	5.750%		2,268	2,079
Tata Motors Limited	US$	500	due 2020	4.625%		1,986	1,805
Jaguar Land Rover	US$	500	due 2020	3.500%	3,632	-	3,469
Jaguar Land Rover	US$	500	due 2019	4.250%	3,574	-	3,471
Jaguar Land Rover	GB£	500	due 2024	5.875%		4,139	-
Jaguar Land Rover	GB£	300	due 2021	2.750%		2,800	2,704
Jaguar Land Rover	EU€	650	due 2024	2.200%		5,398	5,037

Details of Long-term debt	Currency	Initial Principal amounts (millions)	Redeemable on	Interest Rate	Amount repaid during FY 2019-20 (₹ crores)	Outstanding (₹ crores)	
						31-Mar-20	31-Mar-19
Jaguar Land Rover	EU€	500	due 2026	4.500%		4,101	3,899
Jaguar Land Rover	GB£	500	due 2026	6.875%		4,219	-
Total Long-term debt						**1,02,448**	**85,852**

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, 2020.

Payments Due by Period[1,2]	(₹ in crores)
Within one year	24,073
After one year and up to two years	21,428
After two year and up to five years	54,775
After five year and up to ten years	20,570
Total	**1,20,849**

1. Including interest.
2. As of March 31, 2020, Jaguar Land Rover's long-term debt obligations were senior notes and bank loans of ₹49,961crores.

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,	
	2020	2019
Total cash and cash equivalent	18,468	21,560
Total short-term deposits	14,829	10,574
Total mutual fund and money market fund investments	10,862	8,937
Total liquid assets	**44,159**	**41,071**

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 ₹34,273 crores and ₹34,170 crores as of March 31, 2020 and 2019, respectively. Most of Jaguar Land Rover's liquid assets are maintained in GBP, US$ and EUR with smaller balances maintained in RMB and other currencies to meet operational requirements in those geographic regions.

We expect to invest over ₹24,900 crores in property, plants and equipment and product development during FY 2020-21.

We will continue to invest in new products and technologies to meet consumer demand and regulatory requirements and in our manufacturing base in the United Kingdom and overseas. Jaguar Land Rover has invested around GB£1 billion in its manufacturing facility in Nitra, Slovakia with annual capacity of 150,000 units which opened in October 2018 and is currently producing the Land Rover Discovery and the all new Land Rover Defender (more recently from January 2020). Jaguar Land Rover has also invested around GB£1 billion in its engine manufacturing facility in Wolverhampton, which produces 4 cylinder 2.0-Litre Ingenium diesel and gasoline engines as well as the new 6 cylinder 3.0-litre gasoline engine. In January 2019, Jaguar Land Rover announced that next-generation EDUs, will be produced at the Company's EMC in Wolverhampton and in June 2019 Jaguar Land Rover announced that it will develop these next generation EDU's in collaboration with BMW. In January 2019, Jaguar Land Rover also announced that these EDUs will be powered by batteries assembled at a new Jaguar Land Rover Battery Assembly Centre located at Hams Hall, North Warwickshire. We expect that these investments, together with our other investment will enable us to pursue further growth opportunities and address competitive positioning. We expect to satisfy our investments out of operating cash flows and cash liquidity available to us as well as additional funding through loans and other debt from time to time, as necessary.

Auto Free Cash Flow (cash flow from operating activities less payment for property, plant and equipment and intangible assets less cash flow of TMF Group i.e financing business) on consolidated basis was negative at ₹(9,205) crores compared to ₹(9,168) crores in FY 2018-19. With structural cost reduction and capex rationalization plans in pipeline, we expect to improve cash flows in the future.

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, 2020: 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, 2020 was as follows.

Rating agency	Long-term borrowings	Short-term borrowings
CARE	AA- / Negative	A1+
ICRA	AA- / Negative	A1+
CRISIL	AA- / Negative	A1+
S&P	B+ / Negative	-
Moody's	Ba3 / Under Review	-

Subsequently, In April 2020, S&P revised credit rating of Tata Motors to B / Stable.

As at March 31, 2020, JLR's rating was "B1"/Under review by Moody's ,"B+"/Negative by Standard & Poor's at and "BB-"/Negative by Fitch. Subsequently both S&P and Fitch revised JLR's credit rating to "B"/ Negative in April 2020 and May 2020 respectively.

As at March 31, 2020, for TMFHL and its subsidiaries, CRISIL and ICRA rating on long- term debt instruments and long term bank facilities stood at "AA -/ Negative", while CARE rating on long term debt and long term bank facilities stood at CARE AA -/Negative.

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 resulted in a sharp drop in sales first in China in late January and in other regions in late March with a peak sales decrease in April and May 2020. The Company responded quickly to the COVID-19 pandemic with temporary plant shutdowns and rigorous cost and investment controls to conserve cash as much as possible. The China Joint Venture production plant was shut down in late January and reopened in late February 2020. All plants outside of China were shutdown from late March with most plants restarting from late May and production is expected to gradually increase as sales recover. As a result of the impact of COVID-19 pandemic on sales and production, the Group had negative free cash in April and May 2020. This is contributed by unwinding of working capital resulting from the plant shutdowns and payments to suppliers for vehicles built before plant shutdowns, which are offset partially by the sale of vehicles in inventory. Given the significant uncertainties arising out of the COVID-19 pandemic, we assessed the cash flow projections and available liquidity for a period of twenty four 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

In order to refinance our existing borrowings and support our long-term funding needs, we continued to raise funds during FY 2018-19 and FY 2019-20. Details of major funding during FY 2018-19 through FY 2019-20 are provided below.

During FY 2018-19, Tata Motors Limited raised unsecured term loans amounting to ₹1,500 crores from banks for ongoing capital-spending requirements. Tata Motors Limited successfully completed a liability management exercise by the part-refinancing of US$500 million notes due for repayment on April 30, 2020. The Company raised ECB of US$237.468 million maturing in June 2025, which was used to repay the investors, who had surrendered their bonds through the tendering process.

In September 2018, Jaguar Land Rover Automotive Plc issued EUR500 million senior notes due 2026 at a coupon interest of 4.500% per annum. The proceeds were for general corporate purposes, including support for Jaguar Land Rover's ongoing growth and capital spending requirements.

In October 2018, Jaguar Land Rover Automotive Plc signed a loan agreement with a syndicate of banks for US$1 billion and has drawn down the full amount. The loan has a final maturity on January 31, 2025, with 20% amortizing on October 31, 2022. The proceeds were for general corporate purposes, including support for Jaguar Land Rover's ongoing growth and capital spending requirements.

In December 2018, the US$700 million senior notes with a coupon interest of 4.125% issued by Jaguar Land Rover Automotive Plc in December 2013 matured and were fully repaid.

During FY 2018-19, TMFHL and its subsidiaries, TMFL and TMFSL, raised ₹2,066 crores (face value) by issuing NCDs. Bank borrowings through secured term loans continued to be a major source of funds for long-term borrowing and raised ₹6,306 crores during FY 2018-19.

During FY 2019-20, Tata Motors Limited 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 allotment of each Warrant and the balance 75% of the Warrant Price shall be 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). The warrants can be exercised within 18 months from the date of allotment. The amount of ₹3,892 crores has been received and is to be utilized for repayment of debt, meeting future funding requirements and other general corporate purposes of the Company and its subsidiaries. The Company has utilised amount of ₹2,762 crores as at March 31, 2020.

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.

In October 2019 Jaguar Land Rover Automotive plc completed and drew down in full a £625 million five-year amortizing loan facility backed by a £500 million guarantee from UK Export Finance (UKEF). In addition, the Company signed a new £100 million working capital facility for fleet buybacks in October 2019, fully drawn in November 2019.

In November 2019, Jaguar Land Rover Automotive Plc issued €500 million senior notes due in 2024 at a coupon of 5.875% per annum and €300 million senior notes due in 2026 at a coupon of 6.875% per annum and an additional €200 million of senior notes in December 2019 due in 2026 also at a coupon of 6.875% per annum (the €300 million and €200 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. In addition, in March 2020 £52 million of the loan by a guarantee from UK Export Finance (UKEF) amortized and was repaid with £573 million of the loan outstanding at 31 March 2020.

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.

Post March 31, 2020, Tata Motors Limited raised ₹1,000 crores through secured, rated, listed NCD's and JLR Jaguar Land Rover (China) Investment Co. Ltd. has signed a RMB 5 billion (about £560 million) unsecured 3 year revolving loan facility with a syndicate of 5 Chinese banks.

We plan to refinance and raise long-term funding through borrowings or equity issuances, on the basis of 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 ₹16,363 crores and ₹20,150 crores as of March 31, 2020 and 2019, 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 ₹1,500 crores revolving credit facility which remained undrawn as of March 31, 2020.

As of March 31, 2020, Jaguar Land Rover Limited had sold receivables of GB£392 million equivalent under their US$700 million committed invoice discounting facility. 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. GB£114 million was repaid against a previous working capital facility (accounted as debt) that matured within Fiscal 2020. In November 2019 Jaguar Land Rover Limited drew down (fully) on a new GB£100 million secured working capital facility for fleet buybacks.

At March 31, 2020 he unutilised working capital limits for Tata Motors Limited were at ₹4,803 crores. The unutilised revolving credit facility amounted to ₹1,500 crores. For Jaguar Land Rover the unutilised revolving credit facility was GB£1,935 million.

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.

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, 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, 2020, the estimated amount that is available for distributions was approximately GB£4.3 billion.

(ii) Capital Expenditures

Capital expenditures totalled ₹31,222 crores and ₹ 36,636 crores during FY 2019-20 and FY 2018-19, respectively. Our automotive operations accounted for a majority of such capital expenditures. We currently plan to invest over ₹24,900 crores in FY 2020-21 in new products and technologies.

Our capital expenditures in India during FY 2019-20 related mostly to (i) the introduction of new products, such as the Tata Altroz, Nexon EV, Tata Harrier facelift version 2020 (ii) the development of planned future products and technologies, and (iii) quality and reliability improvements aimed at reducing operating costs.

Capital expenditures for Jaguar Land Rover mainly included expenditures for the global launches of the all-new Land Rover Defender, the refreshed Land Rover Discovery Sport, the refreshed Jaguar XE and the refreshed Jaguar F-TYPE, product development costs for various other future products and other investments manufacturing and technology including the production of the new 6 cylinder Ingenium 3.0-litre gasoline engine and the development and manufacture of next generation EDU's at the EMC in Wolverhampton, UK as wells as to support battery assembly at Jaguar Land Rover's plant located at Hams Hall, in North Warwickshire in the UK.

Jaguar Land Rover opened a manufacturing plant for the China Joint Venture in Changshu, China in October 2014 and began manufacturing the Range Rover Evoque there shortly thereafter. Manufacture of the Land Rover Discovery Sport commenced in the third quarter of FY 2015-16, followed by the long wheel-base Jaguar XFL in the first half of FY 2016-17, which went on sale in September 2016 and the long wheel-base Jaguar XEL which went on sale in December 2017 and more recently the Jaguar E-PACE which went on sale from the China Joint Venture in September 2018. Jaguar Land Rover and Chery invested approximately RMB10.9 billion in the first phase of the project, which was used to establish the manufacturing plant, a research and development centre and an engine production facility. Jaguar Land Rover invested approximately RMB3.5 billion of equity capital in the China Joint Venture, representing 50% of the share capital and voting rights of the joint venture Company. Additional manufacturing capacity has since been added. In FY 2019-20, a GB£67 million equivalent dividend was received from the China Joint Venture which was immediately re-invested into the China joint venture.

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 application of PHEVs, now available in the Range Rover and Range Rover Sport with PHEV's versions of the Range Rover Evoque and Land Rover Discovery Sport recently launched, and battery electric technologies, as applied in Jaguar Land Rover's first battery electric vehicle and the 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 prog, 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 IFRS 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 credit losses in finance receivables based on historical loss experience, current economic conditions and events, and the estimated collateral values for repossessed vehicles. This requires estimates, including the amounts and timing of future cash flows expected to be received, which reflect changes in related observable data from period to period that may be susceptible to changes.

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 prog 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. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and our estimates regarding possible future incidence based on actions on product failures.

Changes in warranty liability as a result of changes in estimated future warranty costs and any additional costs in excess of estimated costs can materially affect our net income. Determination of warranty liability is based on the estimated frequency and amount of future claims, which are inherently uncertain. Our policy is to regularly monitor warranty liabilities to determine the adequacy of our estimate of such liabilities. 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 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 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 carry-forwards 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 with regard to 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 of 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 organisation. 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 maintains 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 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 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 2019-20, we conducted an assessment of the effectiveness of the Internal Control over Financial Reporting and has determined that our Internal Control over Financial Reporting as at March 31, 2020 is not effective for Tata Motors Limited, related to preservation of documentary evidence of the input/output parameters used in extracting system generated reports, to validate the completeness and accuracy of information used in various process level and management review controls.

We identified certain control weaknesses in our subsidiary Jaguar Land Rover during FY 2019-20. The management has performed additional procedures and confirmed that there are no material misstatements in the financial statement. However, our Annual Report in Form 20-F to be submitted to Securities Exchange Commission, USA is being finalized and hence the final assessment and reporting of internal control over financial reporting, for Jaguar Land Rover is pending.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

We considers its 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 prog 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 in order to build better organisational 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 cyclicity of demand as well.

We employed approximately 78,906 and 82,797 permanent employees as at March 31, 2020 and 2019, respectively. The average number of flexible (temporary, trainee and contractual) employees for FY 2019-20, was approximately 19,169 (including joint operations) compared to 31,647 in FY 2018-19.

The following table set forth a breakdown of persons employed by the Company's business segments and by geographic location as at March 31, 2020 and 2019.

	As at March 31,	
	2020	2019
Segment	No. of Employees	
Automotive	70,766	73,394
Other	8,140	9,403
TOTAL	**78,906**	**82,797**
Location	No. of Employees	
India	39,012	41,655
Abroad	39,894	41,142
TOTAL	**78,906**	**82,797**

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 in order to meet the Company's strategic objectives.

The 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 one pillar on 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. 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.

As an integral part of the Tata Motors Academy, the Company's Learning Advisory Council (the "Learning Advisory Council'), aims to align its learning and development efforts, more closely with its business needs and priorities. Led by senior leaders across the organisation, the Learning Advisory Council is responsible for providing guidance and strategic direction to the Academies to design, implement and review the learning agenda.

Career Explore – our Internal Job Posting portal was launched to provide employees growth opportunities across functions, locations and business units. GEMS – Going Extra Miles initiative was launched so that employees can apply for deputation or stretch assignments. This supports employees to work on their individual development plans and widen their horizon of experience and exposure.

Annual Organisational and Talent Review and Succession planning exercise ensures healthy succession pipeline of critical roles

Skill Development

We continue our endeavour to deliver high quality products by enhancing our craftsmanship and improving manufacturing and assembly processes. We have been training our entire workforce in BSVI power transmission, assembly, testing and service areas as we roll out the entire range of BSVI products.

To meet technology disruptions and changing market dynamics, we have developed the 'Future of Workplace' strategy, to build newer skills such as High Voltage (Electric Vehicles), Mechatronics (Industry 4.0), Auto Electronics, 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 BVOC 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 to accomplish this, we are implementing a fundamental skills training initiative throughout organisation.

Union Wage Settlements We have labour unions for operative grade employees at all of our plant across India, except Dharwad plant. The Company has generally enjoyed cordial relations with its employees at its factories and offices and have 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 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.

JAGUAR LAND ROVER

Automotive apprenticeships

Jaguar Land Rover has one of the largest apprenticeship programmes in the UK automotive sector with 1000 apprentices in development. Jaguar Land Rover invest in and support life-long learning and development for our employees, including our accredited apprenticeship programmes through the Jaguar Land Rover Academy. This includes JLR apprentice engineers completing almost 50,000 hours of learning, through Technical Accreditation Scheme modules, developing their skills to help support the delivery of Jaguar Land Rover's ACES future. Jaguar Land Rover also support the Automotive Trailblazer Group and lead the creation and development of Level 4 and 6 automotive related Apprenticeship Standards.

Closing the gender gap and a digital call for the worlds brightest and best

Jaguar Land Rover has focused on attracting women into engineering and advanced manufacturing through programmes such as JLR's Young Women in the Know initiative for female students aged 15 to 18. With fewer women than men in senior roles and a majority of men in production operations in factories, the gender gap is hard to close. Traditionally, lower numbers of women coming into the industry and flourishing within it has made this even harder. However, the Company is committed both to equality and encouraging a diverse workforce, and things are changing for the better. The proportion of managers who are female at Jaguar Land Rover has increased to 19%, up from 17% in January 2017; the female proportion in our overall permanent workforce has increased by 34% during the same period. JLR's school education programme increases engagement in STEM (science, technology, engineering and maths) subjects as well as introducing successful female role models to girls as young as seven to increase their interest in engineering. JLR's Furthering Futures course is a week-long career immersion programme designed to encourage more young female STEM talent to consider engineering careers. Since the course was launched in 2012 JLR have recruited 90 Furthering Futures participants into the Early Careers programmes. Since the 2018 report, the proportion of women in the Company has increased from 12.0% in April 2018 to 12.7% in April 2019. In 2019 there has been a 0.8% decrease to our gender pay gap and a 2.5% decrease to our gender bonus gap. At 4.1%, JLR's median gender pay gap is still significantly lower than the Office of National Statistics UK average of 17.3%. However, the Company recognises they still have more to do to narrow the gap further

Human Rights

The Human Rights Policy sets out the commitment to respect and comply will 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. We have refreshed the assessment of slavery and human trafficking risk risks and continue to deem the risk to be low.

OUTLOOK

LONG TERM

The Indian automotive sector has the potential to generate up to US$251.4-282.8 billion annual revenue by 2026. The Indian auto industry intends to create nearly 65 million additional jobs by 2026, around 32 million people are employed directly and indirectly by the sector, out of which at least 65% are contract workforce. While automotive industry is likely to remain impacted in the short-term due to COVID-19 pandemic, encouraging recovery is seen in China. It is expected that other economies will follow a similar pattern in due course.

Union Minister of India announced that the government of India is set to introduce a 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. The upcoming scrappage policy will result in boosting demand for the automotive sector.

Increased urbanisation and localised transport policies have opened up new opportunities for Mobility as a service, most notably in cities. Electric vehicles are gaining a lot of traction in shared mobility space and TML has been a front-runner in this newly evolving segment, entering into various strategic partnerships.

There is an increasing buzz for e-mobility by 2030. We acknowledge the importance to environment risk and are prepared for the electric vehicles. In addition to Electric vehicles, we prepared itself to be efficient in not only BSVI, but also plans to take a holistic approach towards environment regulations and stay ahead in Industry.

Continued investment, by Jaguar Land Rover, in new products and technologies as well as expanding its production capacity in appropriate strategic locations, while balancing production with sales, is key for the success of the Company.

IMMEDIATE AND SHORT TERM

Faced with declining sales figures and global political uncertainties and introduction of emission norms in the Indian market, the on-going COVID-19 pandemic has added to the challenges faced by the OEMs. The challenges brought in by the COVID-19 includes disruption of supply chain management, shut down of manufacturing units, Liquidity issues, further decline in sales figures. Digital retail of cars, parts and services, safety norms and personal hygiene, technology enabled working environment away from normal office boundaries are few of the new normal which would emerge from these challenging times and would change the course of business in coming times. Auto manufacturers across the globe are establishing workforce safety protocols, creating contingency plans and cash flow management, setting up quick response teams, teams to focus on supply chain assessment and risk management. Companies are maintaining stakeholder confidence and informing customers who will be impacted, including providing financial flexibility and support to the entire ecosystem of dealers, suppliers and customers. Government of India announced ₹20 lakhs crores financial package to fight coronavirus and revive the economy as a measures to boost Make in India. This package will cater various sections including cottage industry, MSMEs, migrant labourers.

OPPORTUNITIES

In the Budget 2020, the Government of India has announced to provide additional income tax deduction of ₹1.5 lakhs (US$2,146) on the interest paid on the loans taken to purchase EVs.

The government of India aims to develop India as a global manufacturing centre and an R&D hub. Under National Automotive Testing and R&D Infrastructure Project (NATRIP), the Government of India is planning to set up R&D centres at a total cost of US$388.5 million to enable the industry to be on par with global standards. The government of India has launched Faster Adoption and Manufacturing of Hybrid and Electric vehicles (FAME) and National Electric Mobility Mission Plan 2020 (NEMMP) to promote electric cars.

Shared mobility is critical to India's future growth and delivering on consumers' aspiration of enhanced quality of life. The immerse strain on urban infrastructure created opportunities for smart mobility concepts. There is a great opportunity for technological innovations in the shared mobility space. It serves as one of the most promising hot spots for new and pioneering start-ups. More than anything, it promotes consumers to be responsible in their choices of mobility.

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 all-new Land Rover Defender, refreshed Land Rover Discovery Sport, the refreshed Jaguar XE and the refreshed Jaguar F-TYPE and the increased application of electrification technologies (hybrids and full battery electric) to new models and existing models ensures that Jaguar Land Rover can compete in the premium segments with class-leading products.

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 operates, changes in government regulations, tax laws and other statutes and incidental factors.

Risk Factors

Risks Associated with Company's Business and the Automotive Industry

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 significantly harm Company's business, prospects, financial condition and results of operation.

Since the end of 2019, a disease caused by a novel strain of coronavirus ('COVID-19'), has spread in China and throughout the world, and the World Health Organisation declared the COVID-19 outbreak a pandemic in March 2020. No fully effective treatments or vaccines have been developed as of the date of this Annual Report, and such development of treatments or vaccines may take a significant amount of time. The COVID-19 pandemic and associated governmental responses have adversely affected workforces, consumer sentiment, economies and financial markets. Such adverse effects, along with decreased consumer spending, have led to a global economic downturn.

The COVID-19 pandemic has spread across all the key markets, including the United Kingdom, China, North America, India and continental Europe, from which Company derive the substantial majority of its revenues. Governments in affected countries are imposing travel bans, quarantines, lockdowns, "stay-at-home" orders, and similar mandates on individuals to substantially restrict daily activities and on many businesses to curtail or cease normal operations. Such measures, though expected to be temporary in nature, may continue to increase and intensify depending on the development of the COVID-19 pandemic. These measures have severely impacted the economic activity across the globe, resulting in the major economies facing the risk of significant and unprecedented economic downturns and recession. It is difficult to estimate when such measures will be amended or lifted, and when economic activity will resume to normal levels. It is also anticipated that phased lockdowns may be required in the future until effective treatments or vaccines have been developed. While still evolving, the COVID-19 pandemic, as well as efforts to contain it, has caused significant economic and financial disruptions around the world, including disruption to manufacturing operations, logistics and global supply chains and significant volatility and disruption of financial markets.

As a result of the COVID-19 pandemic, the Company and Jaguar Land Rover implemented work-from-home protocols for employees who were able to work remotely and have shut down the manufacturing plants 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 will continue to cause disruptions in the business and negative effects on Company's cash flows, primarily because Company's operations realize less revenue during shutdowns while continuing to incur costs. As of the date of this Annual Report, Tata Motors has resumed production at all plants. Jaguar Land Rover has resumed production at the manufacturing plants in Wolverhampton (United Kingdom), Solihull (United Kingdom), Halewood (United Kingdom) and Nitra (Slovakia) as well as the contract manufacturing operations in Graz (Austria), each under defined health and safety protocols.

There is significant uncertainty surrounding the extent and duration of such business disruptions, in particular the domestic and international travel bans. Continued travel bans could adversely affect Company's supply chains in India and globally. Even after Company restores operations at the production facilities, the manufacturing rates and timelines may nonetheless be affected by global economic markets and the decrease in consumer comfort and spending, which could impact demand in the global transportation and automotive industries.

The economic slowdown attributable to the COVID-19 pandemic has led to a global decrease in vehicle sales in markets around the world. Moreover, as a result of the restrictions imposed by governments in affected countries and negative consumers' reaction to the COVID-19 pandemic in general, showroom traffic at Company's dealers has dropped significantly and many dealers have temporarily ceased operations, thereby reducing dealers' demands for Company's products.

The COVID-19 pandemic and the resulting business disruptions in several jurisdictions where Company operates could have a material adverse impact of Company' operations, liquidity, business, financial conditions and/or credit ratings which have been recently downgraded. Any future impact on the Company's business may take some time to materialize and may not be fully reflected in the results for the last quarter of FY 2019-20. Even after the COVID-19 pandemic subsides, Company may continue to experience an adverse impact to the 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 the Company's products, as well as limit or significantly reduce points of access to such products.

Further, government-sponsored liquidity or stimulus programs in response to the COVID-19 pandemic may not be available to Company's customers, suppliers, dealers, or Company and in the event that such programs are available, they may nevertheless be insufficient to address the impact of the COVID-19 pandemic. Supply and distribution chains may be disrupted by the bankruptcies of Company's suppliers or dealers or a permanent discontinuation of their operations. Consequently, the impact on the Company's financial conditions and results of operation cannot be fully determined at this time.

Furthermore, Company has implemented enhanced health and safety measures in its operations, such as new screening protocols, in line with public health rules and guidelines and industry practices to combat the spread of the COVID-19 pandemic. Company is exposed to the risk of an increase in the number of workplace and third-party claims arising from actual or alleged failures to implement such measures adequately, or at all. In addition to the increase in costs associated with the implementation of such measures, Company is also faced with the potential increase in legal, advisory and other costs as a result of any COVID-19 pandemic related claims from workers or third party suppliers that may come into contact with the Company's operations. All or any of these factors could have a material adverse effect on the Company's business, prospects, financial condition and results of operation.

Deterioration in global economic conditions could have a material adverse impact on Company's sales and results of operations.

The ongoing COVID-19 pandemic has a significant impact on economic activity globally. There are potentially high risks of credit rating downgrades across different sectors and countries. All geographies Company operates in may be severely impacted as a result of ongoing COVID-19 pandemic. There remains considerable uncertainty around the ongoing COVID-19 pandemic and its negative impact on the financial and commodity markets.

The automotive industry could be materially affected by the general economic conditions and developments in India and around the world and investors' reaction to such 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 the automobiles. A decrease in demand could, in turn, cause automobile prices and manufacturing capacity utilization rates to fall.

Any worldwide financial instability, including as a result of the ongoing COVID-19 pandemic and with respect to increased protectionist measures and withdrawal from trade pacts by countries in which the Company operate, could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. 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 the 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 November 2018, the United States, Mexico and Canada signed the United States-Mexico-Canada Agreement ('USMCA'), which is intended to succeed the North American Free Trade Agreement. The USMCA was revised by the three countries in December 2019, and has been ratified by the legislature of each of three countries. Potential governmental actions related to tariffs or international trade agreements has 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, Company's business.

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. Conditions in automotive markets remained challenging in FY 2019-20 as a result of the COVID-19 pandemic significantly impacting sales and operations, as well as the wider global economy. If automotive demand softens because of lower or negative economic growth in key markets or due to other factors, Jaguar Land Rover's operations and financial condition could be materially and adversely affected as a result. In addition, the current U.S. presidential administration may seek to introduce additional changes to laws and policies governing international trade and impose additional tariffs and duties on foreign vehicle imports, which could have a material adverse effect on Jaguar Land Rover's sales in the United States.

The United Kingdom's exit from the European Union may adversely impact Company's business, prospects, financial condition and results of operations.

Brexit and the potential impact of the withdrawal of the United Kingdom have created significant uncertainty regarding the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate. On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the European Union. After a number of iterations, the European Commission and the UK's negotiators reached an agreement on the terms of the United Kingdom's withdrawal from the European Union, and these terms have been approved by the UK and European parliaments. The United Kingdom formally withdrew from the European Union, in accordance with the terms provided by the withdrawal agreement, on January 31, 2020 after which it entered into the transition period specified in the withdrawal agreement, which is currently scheduled to end on December 31, 2020. During this period, it is expected that the majority of the existing European Union rules will continue to apply in the United Kingdom. The terms of Brexit are still uncertain, including United Kingdom's access to the European Union single market permitting the exchange of goods and services between the United Kingdom and the European Union. The United Kingdom may not be able to reach an agreement on its future relationship with the European Union by the end of the transitional period, and it is uncertain whether an extension to the transitional period, as a result of the COVID-19 pandemic or otherwise, is possible.

The legal, political and economic uncertainty regarding the terms of the United Kingdom's exit from the European Union may adversely affect Company's businesses, including Jaguar Land Rover. This uncertainty may also result in economic slowdown and/or a deteriorating business environment in the United Kingdom and in one or more European Union Member States. In particular, changes in taxes, tariffs and other fiscal policies could have a significant impact on Jaguar Land Rover; 21% of its retail sales volume in Fiscal 2020 was to customers based in the Europe Union (excluding the United Kingdom) and a substantial portion of its suppliers are situated there. The extent of Brexit's impact on Company's operations in the United Kingdom will depend significantly on the trade negotiations between United Kingdom and European Union and the length of the transition period. The economic outlook could be further adversely affected by the risk of a greater push for independence by Scotland or Northern Ireland or the risk that the euro as the single currency of the European Union could cease to exist. Company may be subject to risks associated with related foreign exchange volatility and supply chains if access to the European Union market is restricted as a result of Brexit. Changes to the UK's border and immigration policy could likewise occur as a result of Brexit, potentially affecting Company's business's ability to recruit and retain employees from outside the United Kingdom. Any of the foregoing factors and other factors relating to Brexit that the Company cannot predict may have a material adverse effect on Company's business, prospects, financial condition and results of operation, including the risks of impairments.

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. The Company reviews the value of its tangible and intangible assets to assess on an annual basis or trigger events basis whether the carrying amount is less than the recoverable amount for the asset concerned based on underlying cash-generating units ('CGU') (such as Commercial Vehicles, Passenger Vehicles, Jaguar Land Rover and Vehicle Financing), either based on Value in Use ('VIU') or fair value. During FY 2019-20, Company recorded an impairment charge of Rs. 1,418.64 crores for its Passenger Vehicles business due to changes in market conditions. During FY 2019-20, Company also recorded impairment charge of Rs. 297.49 crores and Rs. 55.71 crores in Company's subsidiaries Tata Motors European Technical Centre Plc and Trilix S.r.l., respectively. Company recorded a GBP3.1 billion (Rs.27,837.9 crores) impairment charge in FY 2018-19 due to adverse market conditions, particularly in China, rising interest rates and the failure to meet internal business plans for the Jaguar Land Rover business. Company may have to 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 the Company's financial condition and the results of operations.

Disruptions to the Company's supply chains and shortages of essential raw materials may adversely affect Company's production and results of operations.

The Company relies on third parties for sourcing raw materials, parts and components used in the manufacture of the products. At the local level, Company relies on smaller enterprises where the risk of insolvency is greater. Furthermore, for some parts and components, Company are 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 the Company's control. Furthermore, 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 the 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 significant disruptions in the supply chains in India and globally. There are risks that the Company's suppliers may be adversely affected hence may not be able to fully resume normal operations and ramp up their production schedule to levels immediately prior to the COVID-19 pandemic. 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 global and Indian Tier 1, 2 and 3 suppliers leading to inconsistent supplies. Further, suppliers are saddled with huge work-in-progress and semi-finished inventories, which may reduce their working capital and their ability to supply materials in line with the customer expectations.

In response to the COVID-19 pandemic, various national, state, and local governments where Company and its suppliers operate have issued decrees prohibiting certain businesses from continuing to operate and certain classes of workers from reporting to work. Those decrees have resulted in supply chain disruptions and higher absenteeism in Company's facilities or Company's suppliers' factories. It remains unclear how long these decrees will remain in place, what additional decrees may be instituted, and the impact they may have on Company and Company's suppliers. Company may be compelled to provide additional support for its suppliers as a result of the COVID-19 pandemic. Company is working closely with its suppliers to monitor the risks by, inter alia, defining inventory salvation norms, building safety stocks and exploring localization options.

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 the Company's 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. Company 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 Company's vehicles. 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.

Company has also entered into supply agreements with Ford and certain other third parties for critical components and Company remains reliant upon Ford and Ford's joint venture with the PSA Group (the "Ford-PSA Joint Venture') for a portion of its engines. However, following the launch of the Engine Manufacturing Centre ('EMC') in Wolverhampton, and the subsequent China Joint Venture, Company now also manufactures its own "in house" engines, as such supply agreements will terminate during 2020.Company may not be able to manufacture certain types of engines or find a suitable replacement supplier in a timely manner in the event of any disruption in the supply of engines, or parts of engines, and other hardware or services provided to the Company by Ford or the Ford-PSA Joint Venture and such disruption could have a material adverse impact on the Company's operations, business and/or financial condition.

A change in requirements under long-term supply arrangements committing Jaguar Land Rover to purchase minimum or fixed quantities of certain parts, or to pay a minimum amount to the seller, could have a material adverse impact on Company's financial condition or results of operations. Jaguar Land Rover has entered into a number of long-term supply contracts that require Jaguar Land Rover to purchase a fixed quantity of parts to be used in the production of Jaguar Land Rover vehicles (e.g., "take-or-pay" contracts). If the need for any of these parts were to lessen, Jaguar Land Rover could still be required to purchase a specified quantity of the part or pay a minimum amount to the seller pursuant to the take-or-pay contract, which could have a substantial adverse effect on the Company's financial condition or results of operations.

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.

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, prevailing conditions in credit markets reflecting negative global economic conditions (resulting from result of higher oil prices, excessive public debt or for any other reasons) and lower consumer demand may adversely affect both consumer demand and the cost and availability of finance for Company's business and operations.

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 Company operates. The transfer of cash is also subject to certain restrictions on cash pooling, interCompany loan arrangements or interim dividends in certain jurisdictions. The Company may face significant liquidity risks due to squeezed credit lines for non-banking financial companies ('NBFCs') following the Infrastructure Leasing & Financial Services Limited crisis in 2018 and its impact on the Indian lending sector.

The COVID-19 pandemic may increase pressure on liquidity of the Company and its subsidiaries. (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 significantly harm Company's business, prospects, financial condition and operating results.)

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 Company's 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 the Company's ability to obtain future financing to fund its operations and capital needs, which may affect Company's liquidity. It may also increase Company's financing costs by increasing the interest rates of

Company's outstanding debt or the interest rates at which Company is able to refinance existing debt or incur additional debt. A credit rating is not a recommendation to buy, sell or hold securities.

The ongoing COVID-19 pandemic has led to S&P downgrading the credit ratings of Tata Motors and its subsidiary Jaguar Land Rover from B+ to B. If disruption to the business as a result of the COVID-19 pandemic continues and increases further or the impact is worse than anticipated, the Company and its subsidiary may see further downgrades in credit ratings (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 significantly harm Company's business, prospects, financial condition and operating results.)

Intensifying competition could materially and adversely affect Company's sales, financial condition and results of operations.

The global automotive industry is highly competitive, and competition is likely to further intensify, including from new industry entrants. Competition is especially likely to increase in the premium automotive categories as each market participant intensifies its efforts to retain its position in established markets while also developing a presence in other key markets. 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 post-Brexit. There is no assurance that Company 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 bring with them decades of international experience, global scale, advanced technology and significant financial resources. Consequently, domestic competition is likely to further intensify in the future. There is no assurance that 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.

If the Company's competitors consolidate or enter into other strategic partnerships or joint ventures, they may be able to take better advantage of economies of scale. Some of Company's competitors have formed such strategic alliances in recent years including the Renault–Nissan–Mitsubishi Alliance, which further included Mitsubishi as a partner in 2017, and the merger between Fiat Chrysler and Peugeot in accordance with the combination agreement entered into on December 18, 2019. If competitors are able to benefit from the cost savings offered by consolidation or strategic partnerships, it could adversely affect the Company's competitiveness. Further, the Company's growth strategy relies on the expansion of the Company's operations in less mature markets abroad, where the Company may face significant competition and higher than expected costs to enter and establish it.

A significant reliance on key markets by both TML and Jaguar Land Rover increases the risk of a negative impact from reduced customer demand in those countries.

The Company rely on certain key markets, including the United Kingdom, China, North America, India and continental Europe, from which the Company derive the substantial majority of its revenues. A decline in demand for Company's vehicles in these major markets may, in the future, significantly impair Company's business, financial position and results of operations. For example, the recent adverse public perception towards diesel powered vehicles, resulting from emissions scandals and tax increases on diesel vehicles, has precipitated a sharp fall in diesel sales, primarily in the United Kingdom and Europe, and created uncertainty for customers that could further impact Company's sales of diesel vehicles in the future. The ongoing COVID-19 pandemic has had a significant impact across Company's key markets worldwide. Additionally, in China, the economy is experiencing a tempering of industry growth and increased pricing pressures due to macroeconomic volatility, regulatory and policy changes, softening consumer demand and increasing competition. Softening of the Chinese economy would likely impact the Company's growth opportunities in China, an important market for the Company. 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 Company's products in mature markets in the future, which could have a significant adverse impact on the Company's financial performance.

The Company's future success depends on the Company's 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 and environmentally-friendly vehicles. Such consumer preferences could materially affect the Company's ability to sell premium Passenger Cars and large or medium-sized all-terrain vehicles at current or target volume levels, and could have a material adverse effect on the Company's general business activity, net assets, financial position and results of operations.

In contrast to other mature markets, consumer preferences in the United States have shifted towards increased demand for pickup trucks and larger SUVs. A shift in consumer demand away from these vehicles within the United States towards compact and mid-size Passenger Cars, whether in response to higher fuel prices or other factors, could adversely affect the Company's profitability. Conversely, if the trend in U.S. consumer preferences for SUVs holds, the Company could face increased competition from other carmakers as they adapt to the market shift and introduce their own SUV models, which could materially and adversely impact the Company's business, financial position or results of operations. Company's operations may be significantly impacted if Company fails to develop, or experiences delays in developing, fuel-efficient vehicles and certain technologies that reflect changing customer preferences and meet the specific requirements of government regulations. Company's competitors may gain significant advantages if they are able to offer products satisfying customer needs or government regulations earlier than Company is able to, which could adversely impact Company's sales, results of operations and financial condition.

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 Company's investments, which would materially affect 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 to the Company's image and reputation as a premium automobile manufacturer and materially affect the Company's business, results of operations and financial condition.

There is also a risk that the money invested in researching and developing new technologies, including autonomous, connected and electrification technologies, or money 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 Company could then be compelled to make new investments in researching and developing other technologies to maintain the Company's 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 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 Company's production capacity. Additionally, Company's high proportion of fixed costs, due to Company's significant investment in property, plants and equipment, further exacerbates the risks associated with incorrectly assessing demand for Company's vehicles.

The Company's production facilities are highly regulated and Company 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 Company's operations require permits and controls to monitor or reduce pollution. 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 Company's permits, production delays or limitations, imprisonment, or the closure of 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 Company needs for its manufacturing process. Violations of these laws and regulations may occur, among other ways, from errors in monitoring emissions of hazardous or toxic substances from Company's vehicles or production sites into the environment, such as the use of incorrect methodologies or defective or inappropriate measuring equipment, errors in manually capturing results, or other mistaken or unauthorised acts of the Company's employees, suppliers or agents.

The Company's manufacturing units must ensure compliance with various environmental statutes. Significant statutes for Company's business include the Water (Prevention and Control of Pollution) Act, 1974 and the Rules thereunder, the Air (Prevention and Control of Pollution) Act, 1981 and the Rules thereunder, the Environment Protection Act, 1986 and the Rules thereunder and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, pollution control Boards ('PCBs'), which are vested with diverse powers to deal with water and air pollution and hazardous waste disposal, have been set up in each state. The PCBs are responsible for establishing standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that units or plants are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation.

The Corporate Average Fuel Economy ('CAFÉ') standards are applicable to M1 category vehicles from April 1, 2017. As a result, Company is required to demonstrate CAFE compliance for its Passenger Vehicles, Commercial Vehicles and EV M1 models. TML has successfully complied with the Phase 1 CAFE requirements for Fiscal 2017 and Fiscal 2018. Through the use of the CAFE calculator, Company regularly monitors its production volumes and processes to ensure that organisational level CAFE compliance (which will require Company to produce enough fuel-efficient models to compensate for those models having higher CO2 emissions in g/km) is established at all times during the year. Any non-compliance could lead to penalties, product recalls and/or other punitive measures. 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 Ministry of Environment, Forests & Climate Change ('MoEFCC') under the Government of India re-vamped several national level legislations governing waste management. Specifically 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. 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 is in the process of being applied for Jaguar Land Rover's Slovakia manufacturing facility. The free allocation of EUETS carbon allowances significantly reduces in Phase 4 of the scheme (from end of 2020) and, as a result, Company will be required to purchase an increased number of allowances, potentially at substantial cost. This forecast is subject to further evaluation based on the final terms of the Brexit negotiations and their impact on the regulated carbon schemes. In any event, there will be a cost to purchase credits in Slovakia and that will be covered following EUETS permit application and issue.

In response to increased public interest, carbon legislation is rapidly evolving around the globe. The implementation requirements differ, with some countries such as the United Kingdom setting targets for "Net Zero Carbon" attainment by 2050. In other countries, timeframes and the degree of commitment varies.

Jaguar Land Rover has a Climate Change Agreement ('CCA') in the United Kingdom which covers its three vehicle manufacturing plants and one of Company's Special Operations facilities. This requires the Company to deliver a 15% reduction in energy use per vehicle by 2020 compared to the 2008 baseline.

The Carbon Reduction Commitment ('CRC') energy efficiency scheme ceased in 2019. In response to the loss of revenue for Her Majesty's Treasury from the cessation of the CRC, the amount of Climate Change Levy that Jaguar Land Rover pays has increased in the United Kingdom. There has been the development of the Streamlined Energy and Carbon Reporting Scheme ('SECR') which will replace reporting under CRC and is compulsory for UK entities for UK operations.

The Best Available Techniques Reference Document ('BREF') for Jaguar Land Rover's paint shops has been under review and in 2019 changes have been proposed, including the lowering of permissible emissions to 30g/m2. Subject to the final terms of Brexit negotiations, it is possible that Jaguar Land Rover's paint shops will need to adhere to the revised BREF requirements within four years from its issue date and, in any event, Jaguar Land Rover's paint shop in Slovakia will need to meet this requirement.

Many of the Company's sites have an extended history of industrial activity. Company may be required to investigate and remediate contamination at those sites, as well as properties it formerly operated, regardless of whether it caused the contamination or the activity causing the contamination was legal at the time it occurred. For example, some of the Jaguar Land Rover's buildings at its Solihull plant and other plants in the United Kingdom are undergoing an asbestos removal programme in connection with on-going refurbishment and rebuilding. In the Company'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 the Company's 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 the 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 Company fails to accurately predict the amount or timing of such costs, the related adverse impact on the Company's business, financial condition or results of operations could be material.

If the Company is unable to effectively implement or manage its growth strategy and strategy to deliver competitive business efficiency, Company's operating results and financial condition could be materially and adversely affected.

As part of the Company's growth strategy, it 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. There is a range of risks inherent in such a strategy that could adversely affect the Company's ability to achieve these objectives, including, but not limited to: the potential disruption of Company's 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 competitors that have greater financial resources than Company has; and other similar operational and business risks. More specifically, 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, the burdens of complying with a wide variety of foreign laws and regulations and other similar operational and business risks. If Company is are 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, Company's business, results of operations and financial condition could be adversely affected.

Delivering on Company's business and strategic objectives is key to sustaining profitable and cash accretive growth. Any uncertainties that materially compromise the achievement of Company's objectives could unfavourably impact Company's operational and financial performance. With the launch of Turnaround 2.0, Tata Motors intends to drive its journey towards Competitive, Consistent and Cash-accretive growth, successfully navigating the headwinds in the Indian automotive market. Jaguar Land Rover has announced Project Charge + and Project accelerate to conserve cash, reduce costs and increase operational efficiency. If Company is unable to deliver these objectives, its operating results and financial condition could be materially and adversely affected.

Deterioration in the performance of any of the Company's subsidiaries, joint ventures or affiliates could materially and adversely affect its results of operations.

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 are also subject to risks associated with joint ventures and affiliates wherein it retains only partial or joint control.

In joint ventures, Company is required to foster its relationships with Company's co-owners as well as promote the overall success of the joint venture. 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 adversely affected.

Company 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. Joint ventures and strategic partnership projects, like Company's joint venture in China and partnership with Waymo, may be developed pursuant to agreements over which Company only has partial or joint control. Investments in projects over which Company has partial or joint control is subject to the risk that the other Shareholders of the joint venture, who may have different business or investment strategies than Company do or with whom Company may have a disagreement or dispute, may have the ability to block business, financial or management decisions, such as the decision to distribute dividends or appoint members of management, which may be crucial to the success of the project or Company's investment in the project, or otherwise implement initiatives that may be contrary to Company's interests. Moreover, Company's partners may be unable, or unwilling, to fulfill their obligations under the relevant joint venture agreements and shareholder agreements or may experience financial or other difficulties that may adversely impact Company's investment in a particular joint venture or strategic partnership projects.

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 Company's vehicles. For example, there are ongoing investigations with governmental agencies in China, South Korea and Taiwan relating to the quality of TDV6 diesel engines installed in some of the Company's vehicles that are already in service, which have resulted in repair actions being required. In particular, as Company's vehicles become more technologically advanced, Company is subject to risks related to its software and operation, including Advanced Driver Assistance Systems ('ADAS') automation. Company expends 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 Company's vehicles, which may harm Company's reputation. Any harm to the Company's reputation may result in a substantial loss of customers. For example, regarding the Takata Corporation ('Takata') passenger airbag safety recall announced in May 2016 in the United States by the National Highway Traffic System Administration (the "NHTSA'), Company' has commenced necessary remediation. Following the initial provision of GBP67.4 million, the provision held at the end of Fiscal 2020 with respect to the recall is GBP46 million and Company intends to use it as the mandated repairs are made over the next one to two years. Further, in July 2018, the NHTSA announced that it is seeking to conduct an investigation into reports of doors inadvertently opening while the vehicle was in motion in certain of jaguar Land Rover's vehicles, following a recall remedy to rectify this risk. The recall action remains active and Company continues to resolve these issues. In July 2019, NHTSA has opened an enquiry relating to fuel leaking from the 4.2-litre 2010 model of the Jaguar XF, while the 5.0-litre model was recalled for the same condition, and Jaguar Land Rover initiated a recall subsequently to remedy this. Scrutiny of the automotive industry by national governments remains stringent in relation to potential safety defects or compliance transgressions.

Furthermore, 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 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 Company's brands. Any costs incurred or lost sales caused by product liability, warranties and recalls could materially adversely affect Company's business and reputation.

Changes or uncertainty in respect of LIBOR and/or SONIA may affect some the Company's financing arrangements.

Some of the 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, which may cause it to cease to exist entirely after 2021. On 29 November 2017, the Bank of England and the U.K. Financial Conduct Authority (the "FCA') announced that the market working group on Sterling Risk-Free Rates would have an extended mandate to catalyse 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. These reforms and other pressures may cause LIBOR to disappear entirely or perform differently than in the past (as a result of a change in methodology or otherwise) or may create disincentives for market participants to continue to administer or participate in 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 LIBOR or 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. If LIBOR is discontinued, then 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 or any other significant change to the setting or existence of LIBOR (or any alternative or successor benchmark rates, including SONIA) could affect the amounts available to the Company to meet the obligations under 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 the 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), 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 relevant changes will not be made to LIBOR or any other relevant benchmark rate and/or that such rates will continue to exist.

Potential changes to the Company's business through acquisitions and divestments may have a material adverse effect on Company's future results and financial condition

Company regularly examine a range of corporate opportunities, including acquisitions and divestments, with a view to determining whether those opportunities will enhance Company's strategic position and financial performance

Company is subject to risks associated with mergers, acquisitions and divestments relating to its business. Company believes that its acquisitions provides opportunities to grow significantly in the global automobile markets including premium brands and products and provide with access to technology, additional capabilities and potential synergies. However, the scale, scope and nature of the integration or separation required in connection with such transactions present significant challenges, and Company may be unable to integrate or separate the relevant subsidiaries, Divisions and facilities effectively within Company's expected schedule. A transaction may not meet 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 Company's control.

Additionally, 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 80% of Company's total revenues in Fiscal 2020. 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 Company has undertaken in the past or will undertake in the future will not have a material adverse effect on Company's business, financial condition and results of operations, as well as Company's reputation and prospects.

The Company will continue to evaluate opportunities through suitable mergers, acquisitions and divestments in the future. Such 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 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, financial condition and results of operations could be materially and adversely affected.

The electric vehicle market may not evolve as anticipated.

Sales of electric vehicles are hard to predict because consumer demand may fail to shift in favor 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 and fueling. In March 2018, Jaguar Land Rover announced its strategic long-term partnership with Waymo to design, engineer and produce Jaguar I-PACE vehicles to be used by Waymo in their autonomous vehicle mobility service. The self-driving technology developed by Waymo is currently being tested in San Francisco and California. In addition, from 2020, Jaguar Land Rover will begin the manufacture of next-generation Electric Drive Units at JLR's Engine Manufacturing Centre in Wolverhampton which will be used to power JLR's future battery electric and plug-in hybrid vehicles. However, there can be no assurances that the partnership will be successful in achieving its commercial objective or that Waymo will purchase the number of vehicles contemplated by Jaguar Land Rover's 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 assurances 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 financial condition or 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 affect the Company's results of operations and the markets in which the Company 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. This has led various carmakers to announce prog to retrofit diesel vehicles with software that will allow them to reduce emissions which may require Company 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 vehicles, failure to achieve Company's planned objectives or delays in developing fuel-efficient products could materially affect Company's 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 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. Finally, 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 Company's products, as well as the cost and availability of raw materials and components. Private and commercial users of transportation increasingly use modes of transportation other than the automobile, especially in connection with increasing urbanization. In addition, the increased use of car sharing services (e.g., Zipcar and DriveNow) and other innovative mobility initiatives facilitate access to alternative modes of transport, thereby reducing 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 its sales, prospects, financial condition and results of operations.

Underperformance of Company's distribution channels may adversely affect Company's sales and results of operations.

The 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 the Company's dealers or distributors could materially and adversely affect the Company's sales and results of operations.

Company's distribution channel partners have been adversely affected by the COVID-19 pandemic. Their profitability has declined as customers have been refraining from or delaying vehicle purchases in light of the pandemic. Further, during lockdown period, local dealers may be required to suspend businesses while they continue to incur operating and non-operating expenses such as salaries, rent and interest on unsold inventory. Even after such dealers resume operations, they may not be able to compensate for the expenses incurred during lockdown and recovery phases, thus their operations and sales may be further affected.

In FY 2019-20, Indian automotive industry faced multiple challenges such as liquidity crunch after the debacle of Infrastructure Leasing & Financial Services Limited, decrease in rural sales due to weak monsoon, credit tightening by banks in the automotive sector and transition from BSIV to BSVI. In light of these challenges, industry sales volumes has declined over the year, affecting the profitability of Company's distribution channel partners, and the COVID-19 pandemic has further accentuated such challenges. Financial institutions have further tightened financing in the automotive industry. In the absence of availability of funding, dealers may not be able to resume operations to full scale, leading to further loss of sales.

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 its financial position and results of operations in the short term.

Furthermore, as part of Company's global activities, Company may engage with third-party dealers and distributors, whom Company does not control, but who could nevertheless take actions that may have a material adverse impact on Company's reputation and business. 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 performance car and all-terrain vehicle segments, which are very specific segments of the premium Passenger Car market, and it has a more limited range of models than some of its competitors. Accordingly, its financial performance is linked to market conditions and consumer demand in those market segments. Some other premium performance vehicle manufacturers operate in a relatively broader spectrum of market segments, which makes them comparatively less vulnerable to reduced demand for any specific segment. 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 substantial adverse effect on its performance and earnings.

Increases in input prices may have a material adverse effect on Company's results of operations.

In Fiscal 2020 and Fiscal 2019, the consumption of raw materials, components aggregates and purchase of products for sale (including changes in inventory) constituted 64% and 65%, 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. Further, there is an increase in the use of precious metals (including rhodium and palladium) as raw materials in vehicles due to stringent emission policies across the world. The COVID-19 pandemic has a significant impact on the supply of precious metals as certain countries where such precious metals are mined are currently under lockdown. Furthermore, prices of commodity items such as steel, non-ferrous metals, precious metals, rubber and petroleum products may rise significantly. Further price movements depend on the evolving economic scenarios across the globe. Most of these inputs are priced in U.S. dollars on international markets. The COVID-19 pandemic has led to weakening of Indian rupees against the U.S. dollar, which can significantly increase Company's direct material cost. While Company continues to pursue cost reduction initiatives, an increase in price of input materials could severely impact Company's 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, BS VI vehicles are required to be registered post April 1, 2020 pursuant to recent laws in India will lead to an increase in price of input materials. 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.

In addition, Company is exposed to the risk of contraction in the supply, and a corresponding increase in the price of, rare and frequently highly sought after raw materials, especially those used in vehicle electronics such as rare earth metals, which are predominantly produced in China. Rare earth metal prices and supply remain uncertain. China 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, Company's vehicle production, business and results from operations could be affected. Company is also exposed to supply chain risks relating to lithium-ion cells which are critical for Company's electric vehicle production. Any disruption in the supply of battery cells from such suppliers could disrupt production of Company's vehicles. The severity of this risk is likely to increase as Company and other manufacturers increase electric vehicle production.

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. Company enters into a variety of foreign currency, interest rates and commodity forward contracts and options to manage Company's exposure to fluctuations in foreign exchange rates, interest rates and commodity price risks. These financial exposures are managed in accordance with Company's risk management policies and procedures. Company uses foreign currency forward and option contracts to hedge risks associated with foreign currency fluctuations relating to highly probable forecast transactions. Company also enters into interest rate swaps and interest rate currency swap agreements, mainly to manage exposure on Company's fixed rate or variable rate debt. Company further 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. However, the hedging transactions may not adequately protect Company against these risks. In addition, if markets move adversely, Company may incur financial losses on such hedging transactions, and the financial condition and results of operations may be adversely impacted.

Exchange rate and interest rate fluctuations could materially and adversely affect Company's financial condition and results of operations.

Company's operations are subject to risks arising from fluctuations in exchange rates with reference to countries in which Company operates. Company imports capital equipment, raw materials and components from, manufacture vehicles in, and sell vehicles into, various countries, and therefore, 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. Brexit could also have a negative impact on the growth of the United Kingdom economy and increase volatility of the GBP. A significant proportion of Company's input materials and components and capital equipment are sourced overseas, in particular from Europe, and therefore Company 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. The majority of Company's product development and manufacturing operations, as well as Company's global headquarters, are based in the United Kingdom, but Company also has national sales companies which operate in the major markets in which Company sells vehicles. As a result, Company has exposure to movements of the U.S. dollar, the Euro, Chinese Renminbi, the Russian Ruble and other currencies relative to the GBP and foreign exchange volatility may affect Company's results of operations, profitability and financial position.

Moreover, Company has outstanding foreign currency-denominated debt and is sensitive to fluctuations in foreign currency exchange rates. Company has experienced and could in the future experience foreign exchange losses on obligations denominated in foreign currencies in respect of Company's borrowings and foreign currency assets and liabilities due to currency fluctuations. Company is exposed to changes in interest rates, as Company has both interest-bearing assets (including cash balances) and interest-bearing liabilities, certain of which bear interest at variable rates (including the Term Loan Facility, the UKEF & Commercial Loan Facilities and the UK Fleet Financing Facility), whereas the Notes and Existing Notes bear interest at fixed rates. Company is therefore exposed to changes in interest rates . Although 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 Company's cost of borrowing, which could have a material adverse effect on Company's financial condition, results of operations and liquidity.

Appropriate hedging lines for the type of risk exposures 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 forego benefits that might result from market fluctuations in currency exposures. These hedging transactions can also result in substantial losses. Such losses could occur under various circumstances, including, without limitation, any circumstances in which a counterparty does not perform its obligations under the applicable hedging arrangement (despite having International Swaps and Derivatives Association agreements in place with each of Company's hedging counterparties), 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.

A decline in retail customers' purchasing power, consumer confidence or in 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 (motivated by expected future business prospects) and available financing. A decrease in potential customers' disposable income, their financial flexibility, reductions in the availability of consumer financing and used car valuations or an increase in the cost of financing will generally 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, to defer a purchase further or to purchase a smaller model with less equipment at a lower price. 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.

To stimulate demand, the automotive industry has offered customers and dealers price reductions on vehicles and services, which has led to increased price pressures and sharpened competition within the industry. Company is a provider of numerous high-volume models, so Company's profitability and cash flows are significantly affected by the risk of rising competitive and price pressures. In recent years, incentive spending in the automotive industry has been increasing to stimulate demand for vehicles, which has impacted the Company and has ultimately led to an increase in the cost of sales attributable to those incentives.

Special sales incentives and increased price pressures in the new car business also influence price levels in the used car market, with a negative effect on vehicle resale values. This may have a negative impact on the profitability of the used car business in Company's dealer organisation.

The 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 Company's automotive business in South Korea and the United Kingdom, including certain officers and managers, are members of labor unions and are covered by the 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 Company's major vendors occur or continue for a long period of time, Company's business, financial condition and results of operations may be materially and adversely affected. During Fiscal 2018, Company faced two standalone incidents of labor unrest in India, one at Jamshedpur plant and the other at 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 17,000 of its unionized employees, the most recent of which resulted in a one year wage agreement covering the period from November 2018 to October 2019 and it expects to negotiate a new labour agreement with the trade unions in 2020. 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.

Operational risk is 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. Company is generally exposed to risks in the field of information technology, since unauthorized access to or misuse of data processed on Company's 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, Company's results of operations and financial condition can 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, financial loss due to business disruptions.

Company's business and prospects could suffer if Company 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 and officers, and automotive designers and engineers. The loss of the services of one or more of personnel could impair Company's ability to implement its business strategy. In view of intense competition, any inability to continue to attract, retain and motivate Company's workforce could materially and adversely affect Company's business, financial condition, results of operations and prospects.

The Company may be adversely impacted by political instability, wars, terrorism, multinational conflicts, countries resorting to protectionism, natural disasters, fuel shortages/prices, epidemics and labor strikes.

The 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 Company's 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) and labor strikes. Any disruption of the operations of Company's manufacturing, design, engineering, sales, corporate and other facilities could materially and adversely affect Company's business, 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 the 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, 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 significantly harm Company's business, prospects, financial condition and operating results.

Terrorist attacks, civil disturbances, regional conflicts and other acts of violence, particularly in India, may disrupt or otherwise adversely affect the markets in which Company operates, Company's business and Company's 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, results of operations and financial condition, and also the market price of the Company's Shares and ADSs.

Company is vulnerable to supply chain disruptions resulting from natural disasters, pandemics (such as the COVID-19 pandemic) or accidents. A significant delay or sustained interruption in the supply of key inputs sourced from areas affected by disasters or accidents could materially and adversely affect Company's ability to maintain Company's current and expected levels of production, and therefore negatively affect Company's revenues and increase Company's operating expenses.

The Company is a global organisation, and therefore is 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 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 Additionally, negative sentiments towards foreign companies among Company's overseas customers and employees could adversely affect Company's 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 Additionally, negative sentiments towards foreign companies among Company's overseas customers and employees could adversely affect Company's business, results of operations and financial condition.

Company's business is seasonal in nature and a substantial decrease in Company's sales during certain quarters could have a material adverse impact on Company's financial performance.

The sales volumes and prices for Company's vehicles are influenced by the cyclicality and seasonality of demand for these products. The automotive industry has been cyclical in the past, and Company expects this cyclicality to continue.

In the Indian market, demand for Company's vehicles generally peaks between January and March, although there is a decrease in demand in February just before release of the Indian fiscal budget. Demand is usually lean from April to July and picks up again in the festival season from September onwards, with a decline in December as customers defer purchases to the new 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. This leads to an increase in sales during the period when the aforementioned change occurs. 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 when 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 in either January or February, the Chinese National Day 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 temporary shutdown of four of their manufacturing plants in the United Kingdom (including the EMC at Wolverhampton) during the summer and winter holidays, as well as shutdowns resulting from the COVID-19 pandemic and Brexit.

Restrictive covenants in Company's financing agreements could limit Company's operations and financial flexibility and materially and adversely impact Company's financial condition, results of operations and prospects.

Some of Company's financing agreements and debt arrangements set limits on and/or require Company to obtain lender consent before, among other things, 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 Company will be able to obtain such consents in the future. If Company's liquidity needs or growth plans require such consents and such consents are not obtained, Company may be forced to forego or alter Company's plans, which could materially and adversely affect Company's results of operations and financial condition.

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 result in 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 Company's 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.

Company provides post-retirement and pension benefits to Company's employees, including defined benefit plans. 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 Company's 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.

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 from April 19, 2010 join 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 £554 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 £60 million each year until Fiscal 2024 followed by £25 million each year until the fiscal year ending March 31, 2028. The revised schedule of contributions also reflects the reduced ongoing cost of benefit accrual of approximately 22% for Fiscal 2020 and approximately 21% for Fiscal 2021 and ongoing benefits from changes implemented on April 5, 2017 (compared to a previous rate of 31%). As of March 31, 2020, Jaguar Land Rover's UK defined benefit pension improved to a surplus of GBP 380 million, as compared to a deficit of GBP 667 million as of March 31, 2019. This improvement was primarily due to an increase in the discount rate used to value the liabilities, as well as asset increases due to interest rate hedges and contributions paid.

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, 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 Company's business. Company's success largely depends on the ability of Company's 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 management. If faced with actions by activist Shareholders, Company may not be able to respond effectively to such actions, which could be disruptive to Company's 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 Company's products. Establishment of the "TATA" word mark and logo mark in and outside India is material to Company's operations. Company has licensed the use of the "TATA" brand from Company's 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 suffer damage, which, in turn, could have a material adverse effect on Company's business, financial condition and results of operations.

The 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. 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, financial condition and results of operations.

Default by Company's customers or inability to repay installments as due could materially and adversely affect Company's business, financial condition, results of operations and cash flows. In addition, any downgrade in Company's credit ratings may increase Company's borrowing costs and restrict Company's 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, 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.

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 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 at historic lows. Base interest rates in developed economies, specifically the United States and the United Kingdom, are still relatively low, despite recent increases, due to, among other things, expansive government monetary policies. 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 the Company, adversely affecting Company's 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 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 decided to absorb the impact of such increase and/or consumers. As a result, a substantial increase in consumer interest rates or tightening of lending standards could have a material adverse effect on the Group's business, 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.

Inability to protect or preserve Company's intellectual property could materially and adversely affect Company's business, financial condition and results of operations.

The Company owns or otherwise has rights in respect of a number of patents and trademarks relating to the products Company manufactures, which have been obtained over a period of years. In connection with the design and engineering of new vehicles and the enhancement of existing models, Company seeks to regularly develop new technical designs for use in its vehicles. Company also uses technical designs that are the intellectual property of third parties with such third parties' consent. These patents and trademarks have been of value in the growth of Company's business and may continue to be of value in the future. Although Company does not regard any of its businesses as being dependent upon any single patent or related Group of patents, an inability to protect this intellectual property generally, or the illegal breach of some or a large Group of Company's intellectual property rights, may have a materially adverse effect on Company's operations, business and/or financial condition. Company may also be affected by restrictions on the use of intellectual property rights held by third parties, and Company may be held legally 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 Company's intellectual property rights to the same extent as U.S. or UK laws.

The Company may incur significant costs to comply with, or face civil and criminal liability for infringements of, the European General Data Protection Regulation.

In April 2016, the European Union enacted the GDPR. The GDPR is a uniform framework setting out the principles for legitimate data processing and came into force on May 25, 2018. The new regime may impose a substantially higher compliance burden on the Company and limit Company's rights to process personal data, lead to cost intensive administration processes, oblige Company to provide the personal data that Company records to customers in a form that would require additional administrative processes or require substantial changes in Company's 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. Company's failure to implement and comply with the GDPR could significantly affect Company's reputation and relationships with the customers and suppliers, and civil and criminal liabilities for the infringement of data protection rules could have a significant negative effect on Company's financial position.

Some of the Company's vehicles will 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 will use, in its electric vehicles make use of lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells.

While Company has designed the battery pack to passively contain any single cell's release of energy without spreading to neighboring cells, there can be no assurance that a field or testing failure of Company's vehicles will not occur, which could subject Company to lawsuits, product recalls, or redesign efforts, all of which would be time consuming and expensive. Negative public perceptions regarding the suitability of lithium-ion cells for automotive applications, or any future incident involving lithium-ion cells such as a vehicle fire, even if such incident does not involve the Company's vehicles, could seriously harm the Company's business.

In June 2019, Jaguar Land Rover announced plans to manufacture a range of new electrified vehicles at its manufacturing plant in Castle Bromwich, United Kingdom, and Jaguar Land Rover expects to open a new battery assembly centre in Hams Hall (North Warwickshire, United Kingdom) in 2020, with an installed capacity of 150,000 units. In addition, Jaguar Land Rover stores a significant number of lithium ion cells at various warehouses and at some of the manufacturing facilities. Any mishandling of or accidents involving battery cells may cause disruption to the operation of the facilities. While Jaguar Land Rover has implemented safety procedures related to the handling of the cells, there can be no assurance that a safety issue or fire related to the cells would not disrupt its operations. Such damage or injury could lead to adverse publicity and potentially a safety recall. Moreover, any failure of a competitor's electric vehicle may cause indirect adverse publicity for the Company and Company's products, which could harm Company's business, prospects, financial condition and operating results.

Any failures or weaknesses in Company's internal controls could materially and adversely affect Company's financial condition and results of operations.

Upon an evaluation of the effectiveness of the design and operation of Company's internal controls, the Company concluded that there was a material weakness such that its internal controls over financial reporting were not effective as of March 31, 2019. Although the Company has instituted remedial measures to address the material weakness identified and continually review and evaluate its internal control systems to allow management to report on the sufficiency of its internal controls, the Company cannot assure you that it will not discover additional weaknesses in the internal controls over financial reporting. Further, 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 Company's ability to accurately report Company's financial condition and results of operations in a timely and reliable manner.

Company's insurance coverage may not be adequate to protect Company against all potential losses to which Company may be subject, which may have a material adverse effect on Company's business, financial condition and results of operations.

While Company believes that the insurance coverage Company maintains is reasonably adequate to cover all normal risks associated with the operation of Company's business. There can be no assurance that any claim under Company's insurance policies will be honored fully or timely, Company's insurance coverage will be sufficient in any respect or Company's insurance premiums will not change substantially. Accordingly, to the extent that Company suffers loss or damage that is not covered by insurance or that exceeds Company's insurance coverage, or are required to pay higher insurance premiums, Company's business, financial condition and results of operations could be materially and adversely affected.

Political and Regulatory Risks

India's obligations under the World Trade Organisation Agreement could materially affect Company's business.

India's obligations under its World Trade Organisation agreement could reduce the present level of tariffs on imports of components and vehicles. Reductions of import tariffs could result in increased competition, which in turn could materially and adversely affect Company's sales, business, financial condition and results of operations.

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.

As an automobile Company, the Company is subject to extensive governmental regulations regarding vehicle emission levels, noise, safety and levels of pollutants generated by Company's production facilities. Company expects the number and extent of legal and regulatory requirements and Company's 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 industry, particularly with respect to vehicle emission regulations, is leading to heightened regulatory scrutiny and more investigations into vehicle manufacturers, including randomised testing. Company is subject to randomised testing and similar enquiries 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 optimise 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 Company sells and where it sells them, which may affect Company's revenue.

To comply with current and future environmental norms, 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 would have an impact on Company's cost of production. If Company is unable to develop commercially viable technologies or otherwise unable to attain compliance within the time frames set by the new standards, 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. Since 2010, Jaguar Land Rover has paid total penalties of US$46 million for its failure to meet CAFE standards. Since 2011, Company has purchased approximately US$71 million in credits from third party original equipment manufacturers ('OEMs') to offset Company's National Highway Traffic System Administration ('NHTSA'), EPA and California Air Resources Board ('CARB') penalties. Additionally, Company expects to buy approximately US$12 million in credits in Fiscal 2020 from third party OEMs to offset its expected NHTSA and EPA penalties for model year 2019 vehicles. Company could incur a substantial increase in these penalties, including as a result of increases in CAFE civil penalties to adjust for inflation. Moreover, environmental and safety standards may at times impose conflicting imperatives, which pose engineering challenges and would, among other things, increase Company's costs. While Company is pursuing the development and implementation of various technologies in order to meet the required standards in the various countries in which Company sells its vehicles, the costs for compliance with these required standards could be significant to the operations and may materially and adversely affect the business, financial condition and results of operations.

Moreover, safety and environmental standards may at times impose conflicting imperatives, which pose engineering challenges and would, among other things, increase Company's costs. While Company is pursuing the development and implementation of various technologies in order to meet the required standards in the various countries in which Company sells its vehicles, the costs for compliance with these required standards could be significant to Company's operations and may materially and adversely affect Company's business, 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. The Act also proposes the creation of the National Road Safety Board to provide advice to the central and state governments on all aspects of road safety and traffic management.

Commencing July 1, 2017, the Indian tax regime underwent a systemic change. The Government of India, in conjunction with the state governments, implemented 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 levy 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 or financial condition.

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 Company's vehicles and Company's results of operations. For instance, the United Kingdom's exit from the European Union would result in material changes to the United Kingdom's tax, tariff and fiscal policies. In addition, the current U.S. presidential administration has called for changes to laws and policies governing international trade to further restrict free trade, including imposing tariffs on certain goods imported into the United States. For example, the announcement of unilateral tariffs on imported products by the United States has triggered retaliatory actions from certain foreign governments and may trigger retaliatory actions by other foreign governments, potentially resulting in a "trade war". A "trade war" of this nature or other governmental action related to tariffs or international trade agreements, the impact of which cannot yet be fully assessed, could negatively affect the economics of the end-markets in which Company operates (such as the United States and China), including regional or global demand for automobiles and automobile-components as well as the customers' ability to purchase Company's cars.

Recently, the United Kingdom announced that, from April 2020, a 2% digital services tax could be imposed on the UK revenue of digital services businesses (such as social media networks, search engines and online marketplaces) that are considered to derive significant value from the participation of their UK 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 UK car exports to the United States – should the new digital services tax be imposed. In addition, in a report submitted to the President of the United States on February 17, 2019, the U.S. Department of Commerce recommended a potential 25% tariff on automobiles and auto-parts imported into the United States. Following the expiration of the subsequent 90-day decision period, the President of the United States announced that the imposition of such additional tariffs would be delayed by another six months. Considering the fact that the additional extension has expired without the U.S. government taking any decision regarding additional tariffs and without a new extension to the decision period being announced, it remains uncertain whether the U.S. government will indeed impose a 25% tariff on automobiles and auto-parts in the future, but should such tariffs or similar trade barriers be imposed by the U.S. government, this would increase the cost of Jaguar Land Rover's vehicles in the United States (as Jaguar Land Rover has no manufacturing operations in the United States), which is likely to have a material adverse effect on Jaguar Land Rover's sales in the United States and the results of operation. 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. Additional developments may also occur that Company cannot currently know about or anticipate, or that may be impossible to plan for or protect against. Furthermore, in recent years, Brazil has increased import duty on foreign vehicles, along with related exemptions provided certain criteria are met.

Evaluating and estimating Company's provision and accruals for Company's taxes requires significant judgment. As Company conducts its business, the final tax determination may be uncertain. Company operates in multiple geographical markets and Company's operations in each market are susceptible to additional tax assessments and audits. Company's collaborations with business partners are similarly susceptible to such tax assessments.

Authorities may engage in additional reviews, inquiries and audits that disrupt Company's operations or challenge Company's conclusions regarding tax matters. Any resulting tax assessment may be accompanied by a penalty or additional fee for failing to make the initial payment. 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 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 initiated even where Company considers its practices to be in compliance with tax laws and regulations. Should Company challenge such taxes or believe them to be without merit, Company may nonetheless be required to pay them. These amounts may be materially different from 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 Petroleum Ministry of India in consultation with Public Oil Marketing Companies brought forward the date of Bharat Stage VI grade auto fuels in National Capital Territory of Delhi with effect from April 1, 2018 instead of April 1, 2020. The shortage of Bharat Stage VI fuel across India in the future could impact Company's business, results of operations and financial condition. Company could be impacted by the change of emission standards in India from Bharat Stage IV to Bharat Stage VI, effective April 1, 2020, as Bharat Stage IV vehicles will not be allowed to be registered after that date. The change in emission standards may also increase the cost of Bharat Stage VI vehicles and impact Company's profitability.

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 law in India and any adverse application or interpretation of the Competition Act could adversely affect Company's 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. Consequently, all agreements entered into by us 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 which 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. Company cannot predict with certainty the impact of the provisions of the Competition Act on Company's agreements at this stage.

On March 4, 2011, the Government of India issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. 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, on May 11, 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.

Furthermore, the 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. The CCI has initiated an inquiry against the Company and other car manufacturers, collectively referred to hereinafter as original equipment manufacturers (the "OEMs'), pursuant to an allegation that 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.

If Company is adversely affected, directly or indirectly, 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, it could adversely affect Company's business, financial condition and results of operations.

Compliance with new or changing corporate governance and public disclosure requirements adds uncertainty to the Company's compliance policies and increases Company' costs of compliance.

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 are 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. Company is committed to maintaining high standards of corporate governance and public disclosure. However, 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 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 Company's 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 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, 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 or companies intending to list its securities on an Indian stock exchange, and the Listing Regulations became effective on December 1, 2015. 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 behaviour, actual or suspected fraud or violation of the Company's code of conduct (the "Tata Code of Conduct') or ethics policy under Company's whistleblower policy (the "Whistleblower Policy'), to implement increased disclosure requirements for price sensitive information, to conduct detailed Director familiarization prog and comprehensive disclosures thereof, in accordance with the Listing Regulations. The Company may face difficulties in complying with any such overlapping requirements. 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 the Company's compliance requirements or in the Company's compliance costs may have a material and adverse effect on the Company's business, 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 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 Company's reputation and brands.

In 2014, the antitrust regulator in China, the Bureau of Price Supervision and Anti-Monopoly of the National Development and Reform Commission (the "NDRC'), launched an investigation into the pricing practices of more than 1,000 Chinese and international companies in the automotive industry, including Jaguar Land Rover and many of Company's competitors. The NDRC has reportedly imposed fines on certain of Company's international competitors as a result of anti-competitive practices pertaining to vehicle and spare-part pricing. In response to this investigation, JLR established a process to review its pricing in China and announced reductions in the manufacturer's suggested retail price for the 5.0-litre V8 models, which include the Range Rover, Range Rover Sport and F-TYPE and the price of certain of its spare parts. Imposition of price reductions and other actions taken in the future in relation to Company's products may significantly reduce the revenue and profits generated by operations in China and have a material adverse effect on Company's financial condition and results of operations. As a result, Company's attempts to offset the potential decline in revenue and profits by increasing operational efficiencies and leveraging economies of scale (for example, through local production in China) may fail or not be as successful as expected. 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 Company operates, Company could be subject to additional tax liabilities.

Evaluating and estimating Company's provision and accruals for taxes requires significant judgement. As the Company conducts its business, the final tax determination may be uncertain. Company operates in multiple geographical markets and Company's operations in each market are susceptible to additional tax assessments and audits. Company's collaborations with business partners are similarly susceptible to such tax assessments. Authorities may engage in additional reviews, inquiries and audits that disrupt Company's operations or challenge Company's 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.

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 consider s its practices to be in compliance with tax laws and regulations. Should the Company challenge such taxes or believe them to be without merit, Company may nonetheless be required to pay them. These amounts may be materially different from 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 the Company considered as engaged in a sector in which foreign investment is restricted.

Indian companies, which 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 Company's automotive business, Company supplies, and has in the past supplied, vehicles to Indian military and paramilitary forces and in the course of such activities have 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 Company believes that 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, the Company may face more stringent foreign investment restrictions and other compliance requirements compared to those applicable to the Company presently, which, in turn, could materially affect Company's business, 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 Company's operations.

The Company requires certain statutory and regulatory permits, licenses and approvals to carry out business operations and applications for their renewal need to be made within certain time frames. For some of the approvals that may have expired, Company has either made, or is in the process of making, an application for obtaining the approval or its renewal. While Company has applied for renewal for such approvals, registrations and permits, Company cannot assure you that it will receive them in a timely manner, or at all. The Company can make no assurances that the approvals, licenses, registrations and permits issued to it would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Furthermore, if Company is unable to renew or obtain necessary permits, licenses and approvals on acceptable terms in a timely manner, or at all, Company's business, financial condition and results of operations could be materially and adversely affected.

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 Company's business, in particular.

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. While Company expects any new government to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no assurance that such policies will be continued.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. 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.

A change in the Government of India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally, and specifically Company's business and operations, as a substantial portion of Company's assets are located in India. This could have a material adverse effect on Company's financial condition and results of operations.

Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact Company's business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies could adversely impact 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 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 Reserve Bank of India (the "RBI'). The Company can make no assurances about future market reactions to RBI announcements and their impact on the price of the Company's Shares and ADSs. Furthermore, Company's business could be significantly impacted were the RBI to make major alterations to monetary or fiscal policy. Certain changes, including the raising of interest rates, could negatively affect Company's sales and consequently Company's Revenue, any of which could have a material adverse effect on Company's financial condition and results of operations.

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 ADSs. 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, than in the United States. SEBI received statutory powers in 1992 to assist it in carrying out its responsibility for improving disclosure and other regulatory standards for the Indian securities markets. Subsequently, SEBI has prescribed regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities market. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in the United States.

Investors may have difficulty enforcing judgments against Company or Company's 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 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 that an Indian court would 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.

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 Company's operating results.

The exchange rate between the Indian rupee and the U.S. dollar has changed materially in the last two decades and may materially fluctuate in the future. Fluctuations in the exchange rate between the Indian rupee and the U.S. dollar will 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, may affect the market price of the ADSs. Such fluctuations will 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 depository 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 "depository') is the registered shareholder of the deposited Shares underlying the Company's ADSs, and only the depository may exercise the rights of Shareholders in connection with the deposited Shares. The depository will notify ADS holders of upcoming votes and arrange to deliver Company's voting materials to ADS holders only if requested by the Company. The depository 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 depository receives voting instructions in time from an ADS holder which fails to specify the manner in which the depository is to vote the Shares underlying such ADS holder's ADSs, such ADS holder will be deemed to have instructed the depository to vote in favor of the items set forth in such voting instructions. If the depository has not received timely instructions from an ADS holder, such ADS holder shall be deemed to have instructed the depository to give a discretionary proxy to a person designated by the Company, subject to the conditions set forth in the deposit agreement. If requested by the Company, the depository 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 depository 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 depository to distribute such materials, or may not receive such voting materials in time to instruct the depository to vote.

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 the Company. 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 depository 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, including 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.

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, 2020 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO & MD is annexed to this Report. 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. The Board currently comprises of 6 Directors, out of which 5 Directors (83.33%) are Non-executive Directors, including 2 Women Directors. The Company has a Non-Executive Chairman and 3 Independent directors ('IDs'), including 2 women Independent Directors, 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 June 15, 2020, 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, with not more than 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 in case they are whole-time Directors/managing Directors in any listed entity, then they do not serve as IDs in more than 3 listed entities. 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, 2020.

During the year under review, 7 Board Meetings were held on May 20, 2019, June 17, 2019, July 25, 2019, October 7, 2019, October 25, 2019, January 30, 2020 and March 27, 2020. 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, 2020 :

Name of Director, Director Identification Number & Category	No. of Board Meetings attended in the year	Attendance at the last AGM	Directorships [1] (C)	Directorships [1] (M)	Committee positions[2] (C)	Committee positions[2] (M)	Holding in Company's shares & other convertible instruments	Directorships in other listed entities (Category of Directorship)[1]
Mr Natarajan Chandrasekaran DIN: 00121863 NINED (C)	7	Yes	5	-	-	-	2,00,000 Ordinary Shares	Tata Consumer Products Ltd. (Formerly known as Tata Global Beverages Ltd.) (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 Nasser Munjee DIN: 00010180 ID [3]	3	Yes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr Vinesh Kumar Jairath DIN: 00391684 ID [3]	3	No	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ms Falguni Nayar DIN: 00003633 ID [3]	3	No	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr Om Prakash Bhatt DIN: 00548091 ID	7	Yes	-	4	2	2	-	Tata Consultancy Services Ltd. (ID) Hindustan Unilever Ltd. (ID) Tata Steel Ltd. (ID) Aadhar Housing Finance Ltd. (Debt listed entity) (ID)
Ms. Hanne Sorensen DIN: 08035439 ID [4]	5	No	-	1	-	1	-	Tata Consultancy Services Ltd. (ID)
Dr Ralf Speth DIN: 03318908 NINED [4]	6	Yes	-	-	-	-	-	-
Mr Guenter Butschek DIN: 07427375 CEO & MD	7	Yes	1	-	-	-	-	TMF Holdings Ltd. (Debt listed entity) (NINED) (C)
Mr Satish Borwankar DIN: 01793948 ED & COO [5]	2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ms Vedika Bhandarkar DIN: 00033808 ID [6]	5	Yes	-	4	2	3	-	Tata Investment Corporation Ltd. (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)

Table Key: (C) - Chairperson; (M) – Member; NINED – Non-Independent Non-executive Director; ID-Independent director; CEO & MD – Chief Executive Officer & Managing Director; ED & COO – Executive Director & Chief Operations Officer

[1] Excludes directorship in the Company, private companies, foreign companies and Section 8 companies.

[2] Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee of Indian public companies (excluding the Company) as per Regulation 26(1)(b) of the Listing Regulations.

[3] Terms of Mr Nasser Munjee, Mr Vinesh Kumar Jairath and Ms Falguni Nayar concluded as Independent Directors with effect from July 30, 2019.

[4] Dr Ralf Speth and Ms Hanne Sorensen participated in the Board meeting by audio conference from Coventry, U.K. However, as this was not permissible under the Companies Act, 2013, the Board granted them leave of absence.

[5] Mr Satish Borwankar superannuated as ED and COO of the Company with effect from July 15, 2019.

[6] Ms Vedika Bhandarkar was appointed as an Independent Director of the Company with effect from June 26, 2019.

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 and valued time of the Directors.

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 for FY2019- 20 in June 2020 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. An ID meeting scheduled on March 27,2020 was rescheduled on June 9, 2020, due to outbreak of COVID-19.

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 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. 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. The following chart illustrates the Board diversity on the basis of geography, composition and gender.

Key Board Skills, Expertise and Competencies: 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 organisations, 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	✓	-	✓	-	-	✓	✓	✓	✓
Dr Ralf Speth	✓	✓	-	✓	✓	✓	✓	✓	✓
Mr Guenter Butschek	✓	✓	-	✓	✓	✓	✓	✓	✓

Familiarisation Programme: 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 of various Board constituted Committees, details of meetings held during the year and attendance thereat:

Committee Names:	Audit	Nomination & Remuneration	Stakeholders' Relationship	Corporate Social Responsibility	Risk Management	Safety, Health & Sustainability
Date of Meetings	May 20, 2019 June 17, 2019 July 18, 2019 July 25, 2019 Oct. 9, 2019 Oct. 25, 2019 Nov. 22, 2019 Jan. 10, 2020 Jan 30, 2020 Feb. 25, 2020 Mar. 27, 2020	May 20, 2019 Mar. 27, 2020	July 30, 2019 Oct. 7, 2019 Jan. 10, 2020	April 3, 2019 June 17, 2019 Oct. 9, 2019 Feb. 25, 2020	Aug. 14, 2019 Oct. 9, 2019	April 3, 2019 June 17, 2019 Oct. 9, 2019 Jan. 10, 2020
No. of Meetings held	11	2	3	4	2	4
No. of meetings attended by						
N Chandrasekaran[(1)]	-	2	-	-	-	-
N Munjee [(2)]	4	1	-	-	-	-
V K Jairath [(3)]	4	-	-	-	-	2
Falguni Nayar [(4)]	4	-	1	2	-	-
Om Prakash Bhatt [(5)]	11	2	-	4	-	-
Hanne Sorensen [(6)]	6	1	2	-	1	2
Ralf Speth	-	-	-	-	-	-
Guenter Butschek [(7)]	-	-	3	3	2	4
Satish Borwankar [(8)]	-	-	-	2	-	2
Vedika Bhandarkar [(9)]	8	-	2	2	-	-
P B Balaji [(10)]	-	-	-	-	2	-

Notes:

(1) Mr N Chandrasekaran is a Member of the Nomination & Remuneration Committee.

(2) Mr N Munjee ceased to be Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee consequent to the completion of his term as Independent Director with effect from July 30, 2019.

(3) Mr V K Jairath ceased to be Member of Audit and Safety, Health & Sustainability Committees consequent to the completion of his term as Independent Director with effect from July 30, 2019.

(4) Ms Falguni Nayar ceased to be Chairperson of Stakeholders' Relationship Committee and Member of Audit and Corporate Social Responsibility Committees consequent to the completion of her term as Independent Director with effect from July 30, 2019.

(5) Mr O P Bhatt is a Chairman of Nomination & Remuneration and Corporate Social Responsibility Committees and Member of Audit Committee.

(6) Ms Hanne Sorensen is Chairperson of Safety Health & Sustainability and Risk Management Committees and Member of Audit, Nomination & Remuneration and Stakeholders' Relationship Committees. Ms Sorensen attended the August 14, 2019 Risk Committee meeting via an audio call. However, her attendance was not counted for the purpose of quorum as per the provisions stated in Section 173(2) of Companies Act, 2013 read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014.

(7) Mr Guenter Butschek is a Member of Stakeholders' Relationship, Corporate Social Responsibility, Risk Management and Safety, Health & Sustainability Committees.

(8) Mr Satish Borwankar ceased to be a Member of Corporate Social Responsibility, Risk Management and Safety, Health & Sustainability Committees consequent upon his cessation of term as an Executive Director and COO with effect from July 15, 2019.

(9) Ms Vedika Bhandarkar was appointed as Chairperson of Audit and Stakeholders' Relationship Committees and Member of Corporate Social Responsibility Committee with effect from July 31, 2019.

(10) Mr P B Balaji is a Member of the Risk Management Committee.

The above Committee Meetings were held with the requisite quorum. The Chairperson of each Committee briefs the Board on significant discussions at its meetings. During the financial year under review all recommendations made by the various Committees have been accepted by the Board. The Company Secretary also acts as the Secretary for all the Board Committees.

AUDIT COMMITTEE

The Audit Committee comprising of 3 IDs, all of whom are financially literate and have relevant finance and/or audit exposure, 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 of the Audit Committee, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations:

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;
- 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 Insider Trading 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.

Ms Vedika Bhandarkar is 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 independent directors. The Chairperson 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.

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.

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, as and when 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, or any other Company in the Tata Motors Group 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 comprising of 2 IDs and 1 NINED 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.

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 and ED. 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 and the ED out of the profits for the financial year and within the ceilings prescribed under the Act and after seeking relevant approvals based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the MD and the ED.

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. Due to losses, no commission will be payable to the Non-Executive Independent directors for FY 2019-20. 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, 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 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. As a policy, Chairman has abstained from receiving commission from the Company. In lines with the internal guidelines of the Company, no payment is made towards commission to the Non-executive Directors of the Company, who are in full time employment with any other tata Company.

  Given below is the Sitting Fees paid by the Company to Non-Executive Directors during FY 2019-20:

(₹ in lakhs)

Name	Sitting Fees
Mr N Chandrasekaran	4.80
Mr Nasser Munjee (1)	4.80
Mr Vinesh Kumar Jairath (1)	4.60
Ms Falguni Nayar (1)	4.80
Mr Om Prakash Bhatt	12.80
Ms Hanne Sorensen	8.20
Ms Vedika Bhandarkar (2)	8.60
Dr Ralf Speth (3)	-
TOTAL	48.60

(1) Completed term as Independent Director w.e.f. July 30, 2019.

(2) Appointed as an Independent director of the Company w.e.f. June 26, 2019.

(3) Dr. Speth, is not paid any sitting fees for attending Board meetings of the Company in view of his appointment 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 Directors

The remuneration paid to the CEO & MD and the ED & COO is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them and is in accordance with the terms of appointment approved by the Members, at the time of their 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 and the ED & COO 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 variable portion of the ED & COO's remuneration comprises of a profit-linked commission or merit based incentive remuneration. The profit-linked commission is awarded at the recommendation of NRC and approval of the Board of the NRC and the Board of Directors, based on the net profits of the Company for that financial year, subject to the overall ceiling limits stipulated in Section 197 of the Act, but in any case not exceeding 400% of the basic salary. In case of loss or where the net profits of the Company are inadequate for payment of profit-linked commission in any financial year, an incentive remuneration, not exceeding 200% of the basic salary, may be paid at the discretion of the Board.

Given below are details pertaining to certain terms of appointment and payment of Managerial Remuneration to the CEO & MD and ED & COO for FY 2019-20:

₹ Lakhs

	Guenter Butschek	Satish Borwankar*
Basic Salary	259.67	19.16
Benefits, perquisites & Allowances	1,222.12	93.08
Incentive Remuneration	-	-
Retirement Benefits	166.03	189.45
TOTAL	**1,647.82**	**301.68**
Pension benefits	-	-
Leave encashment	-	57.07

* Salary includes ₹2.41 crores paid for Gratuity, leave encashment and Ex-gratia on retirement. Mr Borwankar superannuated on July 15, 2019.

The Services of the above Managing and Executive Directors may be terminated by either party, without cause, by giving to the other party 6 months' notice of such termination or the Company paying 6 months' remuneration in lieu of the Notice.

The Directors of the Company are not eligible to receive employee stock options and have accordingly not participated in the Employee Stock Option Scheme 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 organisation 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 organisation, fuel the ambitions of its talent force, to earn future leadership roles.

Our Board includes 6 Directors with broad and diverse skills and viewpoints to aid the Company in formulating and implementing its strategy.

STAKEHOLDERS' RELATIONSHIP COMMITTEE ('SRC')

The Stakeholders' Relationship Committee comprising of 2 IDs and the CEO & MD 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.
- 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.

Compliance Officer

Mr Hoshang K Sethna, Company Secretary, 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 8282, 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 (TSRDL) (Formerly known as TSR Darashaw Limited) at csg-unit@tsrdarashaw.com, 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 2019-20 is as follows:

Type	Nos.
Complaints regarding non-receipt of dividend, shares lodged for transfer	16
Complaints received from the Shareholders through SEBI and other statutory bodies and resolved	34
Complaints redressed out of the above	50
Pending complaints as on 31.03.2020	0
Other queries received from Shareholders and replied	6813

Note- The SEBI complaint has been replied within 4 days but the same has been reflected as unresolved as on 31.03.2020, as per the condition for complete resolution defined by SEBI.

All letters received from the investors are replied to and the response time for attending to investors' correspondence during FY 2019-20 is shown in the following table:

Particulars	Number	%
Total number of correspondence received during FY 2019-20	6863	100%
Replied within 1 to 4 days of receipt	2589	37.72%
Replied within 5 to 7 days of receipt	1603	23.36%
Replied within 8 to 15 days of receipt	1907	27.79%
Replied after 15 days of receipt	709	10.33%
Received in last week of March 2020 but not replied to due to the lock-down on account of COVID-19 pandemic. These have been replied in April 2020	55	0.80%

There were no pending share transfers pertaining to the Financial Year ended March 31, 2020.

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 COMMITTEE ('CSR')

The Committee comprising of 2 IDs and the CEO and MD 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.

RISK MANAGEMENT COMMITTEE ('RMC')

The Committee comprising of 1 ID, the CEO and MD and the CFO 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 extract of terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations, 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 organisation.

- 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 terms of reference 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.

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.

SAFETY, HEALTH AND SUSTAINABILITY COMMITTEE ('SHS')

The Committee comprising of 1 ID and the CEO and MD 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.

GENERAL BODY MEETINGS

Annual General Meeting (AGM)

Date of AGM	Year	Special Resolutions passed	Venue and Time
July 30, 2019	2018-19	NIL	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400020 3:00 p.m.
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	
August 22, 2017	2016-17	Re-appointment of Mr Satish Borwankar as Executive Director and Chief Operating Officer and payment of remuneration. Offer or invite for Subscription of Non-Convertible Debentures on private placement basis.	

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 May 6, 2019 and June 3, 2019 in the matter of the Scheme of Arrangement between Tata Motors Limited and Tata Advanced Systems Limited and their respective Shareholders and creditors ('the Scheme'). The details of this meeting are as given below:

Date of Meeting	Resolution	Outcome	Venue & Time
July 30, 2019	To approve the Scheme of Arrangement between Tata Motors Limited and Tata Advanced Systems Limited and their respective Shareholders and creditors.	Resolution was passed by requisite majority of stakeholders, that is, majority in number of holders and three-fourths in value.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400020 1:30 p.m.

Extraordinary General Meeting (EGM)

An EGM was convened during the financial year, for Issuance of Ordinary Shares and Warrants to Tata Sons Private Limited, Promoter of the Company, on a preferential basis. The details of this meeting are as given below:

Date of Meeting	Resolution	Outcome	Venue & Time
November 22, 2019	Issuance of Ordinary Shares and Warrants to Tata Sons Private Limited, Promoter of the Company, on a preferential basis	Resolution was passed by requisite majority of stakeholders.	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber (IMC), IMC Building, IMC Marg, Churchgate, Mumbai - 400 020 11:00 a.m.

All resolutions moved at the General Meetings and at the NCLT convened meeting held in the last year, were passed by means of electronic and physical voting, by the requisite majority of members.

There were no resolutions passed by Postal Ballot by the Company during the year under review.

MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations and are published in newspapers, namely the Indian Express, Financial Express and the Loksatta (Marathi). The Company has emailed to the Members who had provided email addresses, the half yearly results of the Company. The information regarding the performance of the Company is shared with the Shareholders vide the Annual Report. The official news releases, including the quarterly and annual results and presentations made to institutional investors and analysts are also posted on the Company's website www.tatamotors.com in the "Investors" section.

The Annual Report, Quarterly Results, Shareholding Pattern, Press Releases, Intimation of Board Meetings and other relevant information of the Company are posted in a timely manner through BSE Listing Centre, NSE Electronic Application Processing System (NEAPS) portals and the Company's website for investor information.

Green Initiative

In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company had during FY 2019-20 sent various communications by email to those Shareholders whose email addresses were registered with the depositories or the Company's Registrar and Share Transfer Agents.

All agenda papers for the Board and Committee meetings are disseminated electronically by uploading them on a secured online application.

In line with the SEBI Listing Regulations, the Company has emailed soft copies of its Annual Report to all those Shareholders who have registered their email address for the said purpose. Pursuant to the MCA General Circular No. 20/2020 dated May 5, 2020, read with the Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Companies have been dispensed with the printing and despatch of Annual Reports to Shareholders. Hence, the Annual Report of the Company for the financial year ended March 31, 2020, would only be sent through email to the Shareholders. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the Registrar and Share Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot Notices and other information disseminated by the Company.

Live webcast of AGM: The Company voluntarily provided live Webcast facility of the proceedings of the 74th AGM held on July 30, 2019 for those Shareholders who chose to attend the AGM electronically.

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	Tuesday, August 25, 2020 at 2:00 p.m.
Venue	Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

FINANCIAL YEAR : April 1 to March 31

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 Company has paid Annual Listing fees for FY 2019-20 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:-

	Ordinary Shares						'A' Ordinary Shares					
	BSE			NSE			BSE			NSE		
Month	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
Apr-19	235.90	187.15	52000922	236.25	187.35	804239367	113.65	92.45	10539622	113.65	92.35	117964411
May-19	209.50	169.60	38538967	209.45	169.45	581853469	100.40	80.85	8177934	100.45	80.90	79242624
Jun-19	174.55	154.65	22546594	174.50	154.65	332449335	85.50	75.05	5035018	85.70	75.10	65797330
Jul-19	169.85	133.45	35935335	170.00	133.45	590085233	81.70	64.60	7766699	81.75	64.60	76881496
Aug-19	130.60	107.65	60691488	130.70	107.70	890852844	62.80	50.85	14765551	62.75	50.85	143387843
Sep-19	134.35	109.5	76800392	134.35	109.50	1091861149	61.60	49.95	19861413	61.65	49.95	134929140
Oct-19	177.70	115.35	68291260	177.70	115.30	1168105319	81.75	51.55	21336428	81.75	51.60	171586710
Nov-19	174.90	161.45	36106751	175.05	161.50	554109570	81.25	71.30	14476656	81.25	71.35	99741305
Dec-19	185.10	158.15	42607212	185.15	158.20	812751608	77.10	65.40	12912878	77.00	65.45	142659426
Jan-20	200.30	176.10	39341926	200.35	176.10	886712613	83.50	74.10	10245002	83.50	74.15	136043015
Feb-20	183.75	129.00	43765548	183.75	128.95	1055369812	75.40	55.35	4618443	75.40	55.50	62542953
Mar-20	130.40	68.15	87784236	130.35	66.20	1625474519	56.05	29.50	9827041	55.95	29.60	122130099

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 2019	216.48	104.15	38,891.00	19,513.64	US$15.590
May 2019	185.01	88.37	38,594.47	18,495.78	US$13.244
June 2019	164.84	80.62	39,565.63	18,165.54	US$11.872
July 2019	155.40	75.00	38,649.97	16,871.63	US$11.235
August 2019	119.60	56.35	37,176.38	15,695.29	US$8.381
September 2019	123.53	56.52	37,525.08	16,352.22	US$8.751
October 2019	133.44	59.99	38,717.63	17,457.27	US$9.439
November 2019	168.47	77.27	40,505.09	18,290.12	US$11.759
December 2019	171.64	71.41	41,054.45	18,014.44	US$12.067
January 2020	189.30	78.50	41,360.95	18,421.91	US$13.223
February 2020	162.12	67.03	40,697.93	17,401.29	US$11.292
March 2020	90.10	40.47	32,408.11	13,160.66	US$5.970

The monthly high and low of the Company's ADRs is given below:

(in US $)

Month	High	Low	Month	High	Low
April 2019	17.03	13.54	October 2019	12.53	8.11
May 2019	15.40	12.05	November 2019	12.36	11.26
June 2019	12.60	11.09	December 2019	12.97	11.03
July 2019	12.37	9.69	January 2020	14.15	12.34
August 2019	9.39	7.50	February 2020	12.90	8.93
September 2019	9.39	7.59	March 2020	8.89	4.34

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 (TSRDL) (Formerly known as TSR Darashaw 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, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, (Near Famous Studios) Mahalaxmi, Mumbai – 400 011. Tel: 022-6656 8484; Fax: 022- 6656 8494; e-mail : csg-unit@tsrdarashaw.com; website:www.tsrdarashaw.com

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 TSRDL:

   (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: 079-26576038, e-mail: shahconsultancy8154@gmail.com

For Fixed Deposits: The investors are requested to correspond with the Registrars to the Fixed Deposits Scheme – TSRDL 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;

SHARE TRANSFER SYSTEM

Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Shares in physical form, should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSRDL 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, 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 FY2019-20 are as follows:

Financial Year	Amount of unclaimed dividend transferred (₹)	Number of shares transferred	
		Ordinary Shares	'A' Ordinary Shares
2011-12	3,33,29,010	611,334	3,865
TOTAL	**3,33,29,010**	**611,334**	**3,865**

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 IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with requisite documents enumerated in the web-Form IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

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 31.03.2020) (₹)	
			Ordinary Shares	'A' Ordinary Shares
2011-12	August 10, 2012	September 9, 2019	3,36,52,300.00	7,13,162.20
2012-13	August 21, 2013	September 20, 2020	1,60,50,716.00	2,27,990.70
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		-	-

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.

Nodal Officer

Mr Hoshang K Sethna, Company Secretary, is the Nodal Officer. His contact details are - Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India.
Tel: 91 22 6665 8282
Email: inv_rel@tatamotors.com

(ii) Upto March 31, 2020, the Company has transferred ₹ 42,30,43,288.34 to IEPF, including the following amounts during the year:

Particulars	FY 2019- 20 (₹)
Unpaid dividend amounts of the Company	3,33,29,010
Application moneys received for allotment of any securities and due for refund	-
Unpaid matured deposit with the Company	6,24,77,000
Unpaid matured debentures with the Company	-
Interest accrued on application money due for refund, unpaid matured deposits and debentures with the Company	61,30,712
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	**10,19,36,722**

Shareholding pattern as on March 31, 2020

Particulars	No of shares as on March 31, 2020			
	Ordinary Shares	%	'A' Ordinary Shares	%
Promotors and Promoter Group	1,30,95,51,138	42.39	2,72,14,068	5.35
Mutual Funds and Unit Trust of India	18,98,12,210	6.14	16,63,04,719	32.70
Government Companies, Financial Institutions, Banks and Insurance Companies	22,65,36,281	7.34	3,33,83,291	6.57
Foreign Institutional Investors	52,00,83,072	16.84	14,51,01,891	28.54
NRI's, Foreign Companies and ADR/GDR's	34,51,53,957	11.17	60,52,064	1.19
Others	49,78,37,236	16.12	13,04,46,863	25.65
Total	**3,08,89,73,894**	**100.00**	**50,85,02,896**	**100.00**

Note:

In accordance with SEBI Circular dated November 30, 2015 read alongwith SEBI (ICDR) Regulations, 2009, Tata AIA Life Insurance Company Limited shareholding of 14,936 Ordinary shares of ₹2 each respectively, are not considered part of Promoter Group of the shareholding pattern. They are part of Public Shareholding under the head "Institutions"- Insurance Companies.

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2020

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	12,99,77,617	0.11	4.10	4.21	12,35,913	1.51	86.84	88.35
501 – 1,000	6,25,28,525	0.08	1.94	2.02	83,080	0.26	5.68	5.94
1,001 – 2,000	6,41,13,652	0.11	1.97	2.08	44,153	0.17	2.99	3.16
2,001 – 5,000	7,83,81,486	0.14	2.40	2.54	25,257	0.10	1.71	1.81
5,001 -10,000	4,56,64,519	0.06	1.42	1.48	6,502	0.02	0.44	0.46
Above 10,000	2,70,83,08,095	0.15	87.52	87.67	4,011	0.01	0.27	0.28
TOTAL	**3,08,89,73,894**	**0.65**	**99.35**	**100.00**	**13,98,916**	**2.07**	**97.93**	**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	2,12,81,468	0.02	4.17	4.19	167,120	0.34	82.72	83.06
501 – 1,000	1,25,52,198	0.01	2.46	2.47	16,159	0.02	8.01	8.03
1,001 – 2,000	1,32,42,383	0.00	2.60	2.60	8,889	0.01	4.41	4.42
2,001 – 5,000	1,78,64,125	0.00	3.51	3.51	5,582	0.00	2.77	2.77
5,001 -10,000	1,37,17,583	0.00	2.70	2.70	1,888	0.00	0.94	0.94
Above 10,000	42,98,45,139	0.00	84.53	84.53	1,575	0.00	0.78	0.78
TOTAL	**50,85,02,896**	**0.03**	**99.97**	**100.00**	**201,213**	**0.37**	**99.63**	**100.00**

For details on the Shareholding pattern and Top 10 Shareholders, kindly refer Form MGT-9 appended to the Board's Report of this Annual Report.

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, 2020 through the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) are as follows:

Particulars	Ordinary Shares (%)		'A' Ordinary Shares (%)	
	2020	2019	2020	2019
NSDL	94.26	95.45	91.48	93.23
CDSL	5.09	3.77	8.49	6.73
TOTAL	**99.35**	**99.22**	**99.97**	**99.96**

OUTSTANDING SECURITIES

Outstanding Depositary Receipts/Warrants or Convertible instruments, conversion / maturity date and likely impact on equity as on March 31, 2020 are as follows:

- **Depositary Receipts:** The Company has 6,41,58,673 ADRs listed on the New York Stock Exchange as on March 31, 2020. 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 Depositary	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:** In October 2014, the Company issued a dual tranche of Senior Unsecured Notes aggregating US$ 750 million, details of which are given hereunder:

Security Type	ISIN	Issue Size (US$)	Yield per annum (%)	Date of Maturity	Listing
Senior Unsecured Notes	XS1121907676	26,25,32,000	4.625%	April 30, 2020	Singapore Stock Exchange
Senior Unsecured Notes	XS1121908211	25,00,00,000	5.750%	October 30, 2024	

In November 2019, the Company issued Senior Unsecured Notes aggregating US$ 300 mm, details of which are given hereunder:

Security Type	ISIN	Issue Size (US$)	Yield per annum (%)	Date of Maturity	Listing
Senior Unsecured Notes	XS2079668609	300mm	5.875%	May 20, 2025	Singapore Stock Exchange

- **Warrants:** In December 2019, the Company allotted 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 allotment of each Warrant and the balance 75% of the Warrant Price shall be 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). The Warrants may be exercised by the Warrant holder, in one or more tranches, at any time on or before the expiry of 18 months from the date of allotment of the Warrants i.e. up to June 4, 2021 failing which the Warrants shall lapse and the amount paid to the Company at the time of subscription of the Warrants shall stand forfeited.

- **Non-Convertible Debentures**

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
E 23-A	NSE	INE155A08043	150	9.90	May 7, 2020
E 23-B	NSE	INE155A08050	100	9.75	May 24, 2020
E 23-C	NSE	INE155A08068	150	9.70	June 18, 2020
E26-B	NSE	INE155A08191	300	9.81	August 20, 2024
E26-C	NSE	INE155A08209	200	9.77	September 12, 2024
E26-D (Option - II)	NSE	INE155A08225	400	9.73	October 1, 2020
E26-E	NSE & BSE	INE155A08233	400	9.60	October 29, 2022
E26-F	NSE & BSE	INE155A08241	400	9.35	November 10, 2023
E26-G	NSE & BSE	INE155A08258	300	9.02	December 10, 2021
E27-B	NSE & BSE	INE155A08282	300	8.40	May 26, 2021
E27-E	NSE & BSE	INE155A08316	300	7.50	October 20, 2021
E27-F	NSE & BSE	INE155A08324	500	7.71	March 3, 2022
E27-G	NSE & BSE	INE155A08332	500	7.84	September 27, 2021
E27-H	NSE & BSE	INE155A08340	500	7.50	June 22, 2022
E27-I (Tranche 1)	NSE & BSE	INE155A08357	500	7.28	July 29, 2020
E27-I (Tranche 2)	NSE & BSE	INE155A08365	500	7.40	June 29, 2021
E28-A (Tranche I)	NSE & BSE	INE155A08381	200	9.27	June 30, 2023
E28 -A (Tranche II)	NSE & BSE	INE155A08373	200	9.31	September 29, 2023
E28-A (Tranche III)	NSE & BSE	INE155A08399	100	9.54	June 28, 2024
E28-B (Tranche I)	NSE & BSE	INE155A08407	250	8.50	December 30, 2026
E28-B (Tranche II)	NSE & BSE	INE155A08415	250	8.50	January 29, 2027

**Detailed information on the above debentures is included in the 'Notes to Accounts'.*

Notes:

1 The Company has redeemed E23-A & E23-B Series of NCDs on May 7, 2020 and May 24, 2020 respectively.

2 E29-A Secured Series of NCDs of ₹1,000 crores, ISIN INE155A07284, Coupon rate of 8.80%, listed on NSE & BSE was allotted on May 26, 2020 with redemption on May 26, 2023

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), Light Commercial Vehicles (LCVs), Small Commercial Vehicles (SCVs), 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 and M&HCVs

ADDRESS FOR CORRESPONDENCE

For Investor Queries

Retail / HNI Investors	**Institutional Investors**
Mr Hoshang K Sethna, Company Secretary Bombay House,24, Homi Mody Street, Mumbai - 400 001, INDIA Phone : 91-22- 6665 8282 E-Mail : inv_rel@tatamotors.com	Mr V B Somaiya, Head (Treasury & Investor Relations) 3rd floor, Nanavati Mahalaya,18, Homi Mody Street, Mumbai - 400 001, INDIA Phone : 91-22-6665 8282 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 2019-20, for all debt instruments in India and abroad:

Rating Agency	Period	Credit Rating	
		Short-Term	Long-Term
CARE Ratings Ltd.	As on April 1, 2019	CARE A1+	CARE AA / Stable
	August 19, 2019	CARE A1+	CARE AA- /Negative
CRISIL	As on April 1, 2019	CRISIL A1+	CRISIL AA / Negative
	August 14, 2019	CRISIL A1+	CRISIL AA- / Negative
ICRA Ltd.	As on April 1, 2019	ICRA A1+	ICRA AA / Negative
	August 5, 2019	ICRA A1+	ICRA AA- / Negative
MOODY's Investors Service	As on April 1, 2019		Ba2 / Negative
	June 20, 2019		Ba3 / Negative
	March 26, 2020		Ba3 / Watch Negative
Standard & Poor's	As on April 1, 2019		B+ / Watch Negative
	August 9, 2019		B+ / Negative

SUBSIDIARY COMPANIES

During FY 2019-20, the Company did not have any material unlisted subsidiary Company, incorporated in India or abroad and hence, it was not required to have an ID of the Company on the Board of such material subsidiary Company.

However, the following IDs of the Company are on the Board of below mentioned subsidiary companies:

Common IDs	Presence on the Board of Subsidiary Companies
Ms Hanne Sorensen	Jaguar Land Rover Automotive Plc, Jaguar Land Rover Holdings Limited and Jaguar Land Rover Limited
Ms Vedika Bhandarkar	Tata Motors Finance Limited, Tata Motors Finance Solutions Limited and TMF Holdings Limited

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 arm's 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 and 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 Company has submitted its reply vide letter dated June 11, 2018 in respect of the Securities and Exchange Board of India Order dated March 6, 2018 issuing directions for the Company to conduct an internal inquiry within 3 months into the leakage of information relating to its financial results for the quarter ended December 2015.

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 Company affirms that no person has been denied access to the Chairperson of the Audit Committee.

    The Company has revised the Whistle-Blower policy to insert "reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information (UPSI)" in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and the revised policy was approved by the Board at its meeting held on June 15, 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: As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a revised Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. 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 code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code. Mr P B Balaji, the CFO, is the Compliance Officer, is responsible for enduring implementation of the Code for trading in the Company's securities.

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:

    - **The Board:** The Non-Executive Chairman maintains a separate office, for which the Company does not reimburse expenses.
    - **Shareholder Rights:** Details are given under the heading "Means of Communications".
    - **Modified opinion in Audit Report:** During the year under review, there was no audit qualification in the Independent Auditor's Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
    - **Separate posts of Chairman and CEO:** The post of the Non-Executive Chairman of the Board is separate from that of the Managing Director/CEO.
    - **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 2019-20 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.41c(i)(a) and 41(c)(iv) to the Standalone Financial Statements.

a. Total exposure of the Company to commodities: ₹21,558 crores

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)	₹20,266 crores	Note 1	-	-	-	-	-
Aluminum, Copper & Lead	₹1,292 crores	0.6 million Metric Tons	-	-	26%	-	26%

Notes:

1. *Mixture of commodities having different Unit of measurements*
2. *Above values are estimates*
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:

Headwinds noticed in Flat and Long Steel, one alternate source is developed, plans to import, if required, are being chalked out. Strong negotiations indicate recoupment of some portion of the increases in FY 2019-20.

viii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During FY 2019-20, the Company 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 allotment of each Warrant and the balance 75% of the Warrant Price shall be 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). The amount of ₹3,892 crores has been received and would be utilized for repayment of debt, meeting future funding requirements and other general corporate purposes of the Company and its subsidiaries.

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 ₹ 76.61 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. 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. For Whole-time Directors & Employees	https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.pdf
	For NINEDs and IDs	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 behaviour, actual or suspected fraud or violation of the Tata Code of Conduct.	https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf

Name of Policy, Code or Charter	Brief Description	Web Link
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 [2]	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 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 provides guidelines for archiving of corporate records and documents as statutorily required by the Company.	https://investors.tatamotors.com/pdf/content-archiving-policy.pdf
Code of Corporate Disclosure Practices [1]	This policy is aimed at providing timely, adequate, uniform and universal dissemination of information and disclosure of UPSI 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 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 (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

(2) Revised in line with the requirements under the SEBI Listing Regulations.

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
(DIN: 00121863)

Mumbai, June 15, 2020

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, 2020.

For Tata Motors Limited

GUENTER BUTSCHEK
CEO & MD
(DIN: 07427375)

Austria, June 15, 2020

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, 2020, 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 the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, 2020.

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
FCS: 327 CP: 1228
UDIN: F000327B000343164

Mumbai, June 15, 2020

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, 2020 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.

S. No.	Name of Director	DIN	Date of Appointment in Company *
1.	Vedika Bhandarkar	00033808	26/06/2019
2.	Chandrasekaran Natarajan	00121863	17/01/2017
3.	Om Prakash Bhatt	00548091	09/05/2017
4.	Ralf Dieter Speth	03318908	10/11/2010
5.	Guenter Karl Butschek	07427375	15/02/2016
6.	Hanne Birgitte Breinbjerg Sorensen	08035439	03/01/2018

*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
FCS: 327 CP: 1228
UDIN: F000327B000343221
Mumbai, June 15, 2020

Business Responsibility Report for FY 2019-20

(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 ₹264,041.12 crores in FY 2019-20. 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 8,400 dealerships offering sales and services and has well established spare parts network touch points.

The Business Responsibility Report (BRR) 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 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:** 2019-20
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
4510	Sale of motor vehicle
4520	Maintenance and repair of motor vehicles
4530	Sale of motor vehicle parts and accessories

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, joint ventures and associate companies, the Company operates in over 125 countries and has over 8,400 customer touch points. The Company has manufacturing facilities in the UK, South Korea, South Africa, Indonesia, China, Brazil, Austria and Slovakia.

   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 'Extending mobility services across the World' section of the Integrated Annual Report FY 2019-20 for graphics representation on global operations.

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 North America, UK, Europe, Africa, China and Asia.

    Please refer 'Extending mobility services across the World' section of the Integrated Annual Report FY 2019-20 for graphics representation on global operations.

Section B: Financial Details of the Company

1. **Paid up Capital (INR):** ₹7,19.54 crores
2. **Total Turnover (INR):** ₹42,963.03 crores (This is standalone figure)
3. **Total profit after taxes (INR):** Loss of ₹7,453.98 crores (This is standalone figure)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Total expenditure reported is ₹22.91 crores.
5. **List of activities in which expenditure in 4 above has been incurred: -**

   The Company has been regularly conducting a community engagement strategy which revolves around four focus themes:

   1. **Arogya (Health):** The focus is to work on addressing child malnutrition and health awareness for females. This initiative provides preventive and curative health services to the community. In FY2019-20, 400,000 members benefited from our health initiatives.
   2. **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. In FY2019-20, 152,600 students benefited from our education program.

3. **Kaushalya (Employability):** This program 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 also strengthens the Industrial Training Institutes by offering domain expertise of automotive skills through knowledge partnership. In FY2019-20 the Company has trained 117,500 youth and farmers.

4. **Vasundhara (Environment):** The initiatives to improve the environment included promotion of renewable energy, creation of carbon sinks through large scale sapling plantation, construction of water conservation structures and building awareness among the community members. 117,464 saplings have been planted in our various prog under these initiatives. Sensitizing the younger generations of our society towards conservation of our environment was the aim of various environmental awareness programmes launched and around 91,000 people actively participated in these programmes.

5. **Rural Development Programmes:** These programmes endeavored for integrated village development, with the key element to leverage resources through convergence of government schemes. The Company has collaborated with Sahabhag - the CSR Cell of Government of Maharashtra to improve the quality of life of the 3000 tribal communities at Pathardi Gram Panchayat in Jawhar block of Palghar district, where 70% of the resources for village development arrive from the Government supplies.

*Please refer "**Annexure-2:** Annual Report on CSR Activities" section of the Integrated Annual Report FY 2019-20 and the Company's Annual CSR Report 2019-20 for detailed community engagement strategy and key initiatives. The reports are available on our website* https://www.tatamotors.com/wp-content/uploads/2020/06/17104550/annual-csr-report-2019-20.pdf

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, 2020.

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(s)**

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 any 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 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.**

S. 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**

S. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A
2.	Name	Mr. Ravindra Kumar Godabanal Parameswarappa
3.	Designation	CHRO
4	Telephone	022 62407101
5.	E-mail id	Ravindrakumar.gp@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 the Ministry of Corporate Affairs 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.

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	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 assessments serve as 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) covers 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 Managing Director or an Executive Director. 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	Whistle Blower Policy Tata Code of Conduct	https://www.tatamotors.com/investors/corporate-governance/policies/ https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.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	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
Principle 3: Businesses should promote the well-being of all employees.	Sustainability Policy Safety Policy	https://www.tatamotors.com/investors/corporate-governance/policies/ https://www.tatamotors.com/investors/corporate-governance/policies/

Principle	Applicable Policies	Link for policies
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	CSR Policy Tata Affirmative Action Policy Sustainability Policy	http://investors.tatamotors.com/pdf/csr-policy.pdf https://www.tata.com/careers/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/ https://www.tatamotors.com/investors/corporate-governance/policies/
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://www.tatamotors.com/investors/corporate-governance/policies/
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 CSR Policy	https://www.tatamotors.com/investors/corporate-governance/policies/ http://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

a) 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 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 SH&S performance - first review by the Factory Implementation Committee followed by Plant level Apex Committee/Sub-committee and then by SH&S Council and finally by SH&S Committee.

Please refer 'Corporate Governance' section of the Integrated Annual Report FY 2019-20 for various Board Committees and their roles and responsibilities.

b) 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 an Annual Integrated Report and non-financial disclosures in this Report, which are in accordance with the Global Reporting Initiative (GRI) standards and a mapping is provided with principles of United Nations Global Compact (UNGC) and Sustainable Development Goals (SDGs). The Company's CSR Report can be viewed at https://www.tatamotors.com/wp-content/uploads/2020/06/17104550/annual-csr-report-2019-20.pdf

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 its 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 to 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 being 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 further Protected Disclosure. The Policy is directly monitored by the Chairman of the Audit Committee and the Chief Ethics Counselor.

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 are normally documented by the Chief Ethics Counselor / Chairman of the Audit Committee accessing the voice mail by a written transcription of the oral report.

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	160
Stakeholders Complaint Resolved	103
Percentage of Stakeholders Complaint Resolved	64.38

The above stakeholder complaints are related to TCoC concerns, investor complaints and POSH complaints. TCoC concerns include complaints related to employee relations, financial impropriety, legal compliance and unfair business practices. The Company has 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 an 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 is a leading automobile manufacturer of India and has played a significant role over the years in contributing to economic growth through its commercial and passenger vehicles which transport people and goods. The Company realizes its responsibility as a growth enabler and endeavors to create vehicles which will promote entrepreneurship. The Company completed delivered four Starbus LNG units to LNG Petronet Limited, two buses delivered in Dahej, Gujarat and two buses in Kochi, Kerala. LNG bus reduces greenhouse gas (GHG) emissions by 30% in comparison with conventional fuels.

The Company has also signed an MoU with Prakriti E-Mobility Private Limited to deploy Tigor Electric Vehicles (EVs) in New Delhi. Tata Steel Limited has partnered with the Company to introduce Tigor EVs for employee transportation in Jamshedpur. Tigor EV are fully electrical, zero emission vehicles. They are equipped with a single speed, automatic transmission and the electric drive systems allows maximum efficiency and seamless acceleration.

The Company has also bagged the biggest electric bus contract in India, by Ahmedabad Janmarg Ltd. Tata Ultra Urban 9/9 Electric AC Bus will run in the Ahmedabad's BRTS [Bus Rapid Transit System] corridor.

The Company also launched Nexon EV, an electric SUV which is powered by the cutting-edge Ziptron technology. The Company has partnered with Uttar Gujarat Vij Company Ltd. (UGVCL) to deploy Tigor EVs in Gandhinagar and Ahmedabad, as a part of its tender with Energy Efficiency Services Limited (EESL). It has an efficient high voltage system, fast charging capability and extended battery life. The Nexon EV retains all its learnings from the Nexon Global NCAP rating and comes with class leading safety 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 focuses on new and improved technologies and has systems in place to ensure sustainable sourcing. In order to reduce the fuel consumption, the Company focuses on researching, developing and producing new technologies, such as hybrid engines, electric cars, fuel-cell vehicles. Various development programme to reduce the consumption of fuel, like the use of lightweight materials, reducing parasitic losses through the driveline and improvements in aerodynamics are also studied and implemented by the Company. The Company is extensively working on green and light weighing technologies in products by going beyond the basic environmental regulatory compliance. 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 rain-water 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 achieve reduction in fuel consumption which translates into cost savings. The REVOTRON engine epitomizes the Fuel-Next philosophy of the Company. It is developed using a range of eco-friendly and future oriented technologies. It also incorporates 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. LNG bus reduces GHG emissions by 30% in comparison with conventional fuels. Tigor EV and Nexon EV are fully electrical and generate zero on road emission.

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 an 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 continually works with its vendors and suppliers to ensure sustainable sourcing and has launched a sustainable supply chain initiative in FY2017. Through this initiative the Company aims to firstly create awareness on the subject, call for suppliers' sustainability data and subsequently conduct a site assessment for data verification. The Company has '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 2020, 358 suppliers have been covered under this initiative.

The Company has also extended this initiative to its downstream and have initiated the Dealers Sustainability Initiative in FY2019. A total of 237 dealers have been covered in the workshop. As on March 31st 2020, 67 dealerships have been 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 53.06% of the materials (by value) from local sources, where local is defined as the State in which the manufacturing plant is established.

The Company takes significant initiatives in enhancing the capabilities of local and small vendors.

As outlined in the Sustainable Supply Chain Guidelines, the Company expects all its suppliers and dealers to adopt the IATF Quality Management System, Environment Management Systems and Occupational Health & Safety Management Systems. 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 rain-water 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 manufacture products with materials, of which 85% can be recycled thus minimizing the pressure on natural resources. The recyclability quotient of our products is continuously monitored by our Research and Development team and verified by European VDA agency. The Engineering & Research team overlook the supply chain and purchase work in tandem to identify and source materials that are more sustainable from total life cycle perspective, i.e. recyclable and renewable. The waste generated during manufacturing is managed as per regulatory requirements.

The Company embedded the principles of Circular Economy in our 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 vehicle (CV) owners, Tata Prolife extends the life of engine long blocks through systematic overhaul that leads to optimum performance while also adding to the life of the products. In FY2019-20 a total of 33,615 engines were reconditioned. Remanufacturing not only leads to material savings but it 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.**

42,597 as on 31st March, 2020 (includes permanent, temporary, trainee and contractual employees)

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

65,521 as on 31st March, 2020

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

1,116 as on 31st March, 2020

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

16 as on 31st March, 2020. These employees represent self severe disability

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

The manufacturing plants at Jamshedpur, Pune, Lucknow, Pantnagar and Sanand have employee unions recognized by the Management. The Company enters into long term wage settlements with these recognized unions. The Company has employee associations in all locations except at the Dharwad Plant for our permanent workmen.

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

Around 99.5% of permanent workmen are part of associations recognized by Management. The Company does not have an employees union at the Dharwad Plant.

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 .**

Sl. 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	12	1
3.	Discriminatory employment	Nil	Nil

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

- **Permanent Employees**
- **Permanent Women Employees**
- **Casual/Temporary/Contractual Employees**
- **Employees with Disabilities**

Safety is of paramount importance to the Company. All employees in the Company are provided with safety training as part of their induction programme. The safety induction programme is also a compulsory requirement for contract workforce before they are inducted into the system. Training and Capability Building across organisation continued to be considered as a key element of Safety Processes. Aspects such as Safety Management Fundamentals, Incident Investigations, Contractor and Vendor Safety Management, Actions Employees Can Take ('AECT'), Safety Standards etc. are considered in training programme for all Employees, Contractors and Vendors. The Company achieved 6.3 training man-hours per employee and 8.1 training man-hours per contractor in FY 2019-20 for 7 manufacturing plants.

The Company believes in continual learning of its employees and has institutionalized a continual learning model for skill upgradation, especially at the shop-floor level. The learning and development needs of management cadre employees are met through the Company's L&D structure which includes various training delivery mechanisms.

Principle 4: Stakeholder Engagement

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

Yes, the Company has identified its internal and external stakeholders. Stakeholders' views and suggestions are incorporated into business strategies. A formal stakeholder engagement process involves direct and detailed consultation with different stakeholder Groups, helping in identifying the critical issues that needs our immediate attention. In FY2018, 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. scheduled castes and tribes. Within the broader stakeholder Group of communities, the Company works towards women empowerment and education of children. Every year, the Company participate in TAAP (Tata Affirmative Action Program) 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 continues to serve the SC and ST communities in inter alia Education, Employability and Entrepreneurship.

In FY 2019-20 the Company engaged with 7,63,600 people of which 40% belong to the SC and ST communities. The health initiatives rendered to 4,00,000 people, education to 1,52,600 children, youth and farmers employability to 1,17,500 lives; environment awareness touched 91,000 lives and rural development to 3,000 people.

The Integrated Village Development Programme of the Company aims at holistic development of Pathardi Gram Panchayat in Jawhar block of Palghar, an aspirational district with 100% Tribal population. The integrated approach has been adopted, focusing on leveraging the resources arrived from the Government supplies through convergence of Government schemes. The Company has collaborated the with the CSR Cell of Government of Maharashtra to improve the quality of life of the 3,000 tribal communities at Pathardi, where 70% of the resources for village development arrive from by the government supplies

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 also has a Policy on Human Rights. The Company encourages and sets expectation 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 and 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 2019-20, 160 concerns have been received towards actual or potential violation of TCoC, of which 103 of the complaints were satisfactorily resolved as at 31.03.2020.

Principle 6: Environmental

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 an Environmental Policy which is available on our website for all stakeholders. The Company also has Environmental Procurement Policy which is applicable to all its vendors, contractors and service providers.

Sustainability is built into the Company's business processes through the well-defined Sustainability Policy. This policy reaffirms value system committed to integrate environmental, social and ethical principles into the Company's business and innovate 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 organisational efforts towards mitigating and adapting to climate change. The Company approach towards climate change mitigation and pursuing low carbon growth is three - fold - develop cleaner and more fuel efficient vehicles, reduce environmental impacts of manufacturing operations and build awareness among stakeholders.

The Company continuously works on alternate fuel technologies like electric vehicles, hybrid vehicles and fuel cell technologies. The Company is working on mitigation of transition risk with climate scenario below 2 degree centigrade and plans to establish Science Based Targets. The climate change strategies, objectives and targets are methodically aligned to minimise carbon emissions from our products, operations and value chain.

i. **Product development:** Minimizing carbon emissions 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 Corporate Average Fuel Efficiency Regulation (CAFE) 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 the 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.

iii. **Manufacturing Operations:** The focus is on improving energy efficiency and maximizing use of renewable energy sources, thereby minimizing carbon emissions of our manufacturing plants

iii. **Value Chain:** Through our Sustainable Supply Chain Initiative and Dealers Sustainability Initiative, suppliers and dealers are encouraged to improve energy efficiency, reduce carbon emissions, promoting renewable energy at varied levels of the supply chain, by with working with our suppliers on capacity building, sensitizing and reducing carbon emissions.

https://www.tatamotors.com/wp-content/uploads/2018/09/05090438/sustainability-report-2017-18.pdf

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 throughout the life cycle of the product. 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 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 are certified to Environmental Management Systems 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 2019-20.

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 - which is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity.

The Company has been working on advanced vehicles such as LNG buses, electric vehicles, fuel cell buses, hydrogen cell buses, etc. Apart from this, the Company is sourcing renewable energy from on-site and off-site wind and solar installations at various plant locations.

https://www.tatamotors.com/wp-content/uploads/2018/09/05090438/sustainability-report-2017-18.pdf

*Please refer to '**Annexure - 3**': Particulars of Conservation of energy, Technology absorption and Foreign Exchange Earnings and Outgo" section of the Integrated Annual Report FY 2019-20 for details on the 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 Company's 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.
- State Pollution Control Board (SPCBs) have visited our plants during the fiscal and collected environmental samples (treated effluent, stack emissions and ambient air). The Company has received the Analytical Results of 2 plants which show that the samples conform to the consented norms, while we have not received feedback at remaining plants as on date.
- The Company has 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. The plants are in compliance within the permissible limits prescribed by Central Pollution Control Board (CPCB) and SPCBs for air emissions, effluent quality and discharge, and hazardous waste disposal.

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/ SPCB pending resolution by the Company at end of FY2019-20.

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:**

The Company is a member of various trade and chamber or associations. It actively participated in all WP29 UNECE Group activities.

I. The Company participated in the following National Committees which are working on formulating policies and regulations for improvement of environment including GHGs reduction throughout the country:

   i. Standing Committee on Emissions (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 Government of India (GoI) initiatives by Ministry of Shipping, Road Transport and Highways (MoSRTH) and Petroleum Conservation Research Association (PCRA).

iv. Expert Committee to define "Light & Medium Duty Vehicle Fuel Economy Norms for India" under GoI initiative by MoSRTH, Ministry of Petroleum & Natural Gas (MoPNG) and PCRA.

v. Expert Committee on "Fuel Economy and Labeling of Passenger Cars" under GoI initiative by Bureau of Energy Efficiency, Ministry of Power and MoSRTH.

vi. Inter-ministerial Committee for upcoming emission norms (BS-VI) including Real World Driving Emissions (RDE) and Portable Emission Measurement System (PEMS) for Motor Vehicles under GoI initiative by MoSRTH, Ministry of Heavy Industries and MoPNG.

vii. Quadricycle Emissions Norms formulated and notified.

viii. Ministry of New & Renewable Energy, GoI, has been promoting and assisting technology development for GHGs reduction by way of increased usage of Biodiesel. In support to this initiative, the Company has been currently running number of "Engine and Vehicle prog to commercialize usage of Biodiesel", which is made available to the general public by oil marketing companies.

ix. Working Group on Energy for Sub-Group on DST's XIIth plan on Technology Development Program.

x. National Electric Mobility Mission Plan – The Company actively participated in forming hybrid performance criteria along with SIAM-FTG Group and helped the Government to launch FAME scheme. Presently, the Company is engaged in building two types of hybrid and electric vehicles under Technical Advisor Group under R&D scheme.

II. 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. Society of Indian Automobile Manufacturers (SIAM) Council & various SIAM Group Meetings (CSR, EnC etc.)

vi. AISC/TED Panel Meetings on Individual Subjects

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

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, is percolated to each manufacturing plant through a detailed community development plan. The plant specific plan, addresses the local needs while the corporate cell addresses few company-wide strategic community development initiatives like driver training, etc. The initiatives primarily focus on Arogya (Health), Vidyadhanam (Education), Kaushalya (Employability),Vasundhara (Environment) and Rural Development Plan. **Seva**, the employee volunteering initiative provides our employees with a platform to be a part of our community initiatives. The Company along with its employees also supports Sumant Moolgaonkar Development Foundation (SMDF) towards implementing **Amrutdhara**, a National Drinking Water Project to provide safe drinking water to communities. Through adoption of AA Policy, the Company works toward inclusion of socially disadvantaged and marginalized sections of society (Scheduled Castes and Scheduled Tribes), through focus on Education, Health, Employability and Entrepreneurship.

Please refer the Company's 'Annual CSR Report 2019-20' 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 organisation?

The CSR Programmes and Projects are deployed by the Company directly; through Company-promoted societies/NGOS; partnering with the Government and collaborating with reputed, external non-profit organisations under different models.

Area	Partners Involved
Education	Action Aid, Agastya International Foundation, Avanti Fellows, Block Resource Centre Education Dept.(SSA), Cathedral Church Sanand, Center for Youth Development & Activities, Children's Movement for Civic Awareness, College of Engineering Pune, Ganatar, Global Education Trust, Gram Vikas Kendra, IIT Bombay Alumni Association, Manav Seva Education Trust, Moinee Foundation, Nav Jagrat Manav Samaj, Paryawaran Evam Jan Kalyan Samiti, Rotary Club of Nigdi, Samaj Vikas Kendra, Samata Shikshan Sanstha, Sanand Lions Foundation Trust, Seva Sahyog Foundation, Shanti Seva Nidhi Trust, Shiksha Prasar Kendra, Shri Shakti Kelavni Uttejak Trust, Society For Human Environmental Development, Suprabhat Mahila Mandal, Swami Vivekananda Youth Movement, Swaroopwardhinee, Tata Institute of Social Sciences, Tata Motors Gruhini Social Welfare Society, The Jai Narayan Charitable Trust, Urmee Charitable Trust, Vidya Poshak, Vikas Samities
Employability	Ahmedabad Dist. Cooperative Milk Producers Union Ltd., Ambika Motor Driving School, Centre For Civil Society, CII, Gram Vikas Kendra, Laurus Edutech Life Skills Pvt Ltd, Manikbag Automobile Pvt. Ltd., Mitcon Foundation, Paryawaran Evam Jan Kalyan Samiti, Prasad Chikitsa, Pratham Education Foundation, Ramkrishna Mission Sakwar, Samaj Vikas Kendra, Sambhav Foundation, Sanand Education Trust, Shashwat, Skill For Progress, Suvidha, Vedanta Foundation, Vikas Samities, Avashya Foundation, Vruksha, Yashaswi Academy For Skills, Shashwat Trust Junne, Shashwat- Manchar, Ayush Motors Driving School, Maharashtra State Board Of Technical Education (Msbte)
Health	Action Aid, Chetna, Family Planning Association Of India, Gram Vikas Kendra, Jan Parivar Kalyan Sansthan, Manav Seva Education Trust, Namaste Life, Nav Jagrat Manav Samaj, Parivar Kalyan Sansthan, Paryawaran Evam Jan Kalyan Samiti, Prasad Chikitsa, Seth G S Medical College And Kem Hospital, Sneh Foundation, Snehdeep Jankalyan Foundation, Sumant Moolgaonkar Development Foundation, Sterling Hospital, Swadhar, Vikas Samities, Vidya Poshak
Environment	Bansilal Ramntath Agarwal Charitable Trust, Bombay Natural History Society, College of Social Work (Nirmala Niketan Institute), Ganatar, Gram Vikas Kendra, Green Thumb, Manav Seva Education Trust, Paryawaran Evam Jan Kalyan Samiti, Samaj Vikas Kendra, Sarvodhaya Maha Sangh, Terre Policy Center, Tree Public Foundation, Vikas Samities, Wildlife Research and Conservation Society, Suvidha
Rural Development	BSILD (Erstwhile BAIF) Suprabhat Mahila Mandal, Aroehan, Government of Maharashtra

Please refer the Company's 'Annual CSR Report 2019-20' for details on various community development programme partnerships.

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

   Yes. The Company engages in periodic impact assessments that 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 2019-20' 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 ₹22.91 crores

   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)** supporting for infrastructure, 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 2019-20' and 'Community Development' section of Tata Motors Sustainability Report 2019-20 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 is sought, wherever feasible, for project deployment / asset creation, maintenance for them to have greater ownership of the projects - which we believe is crucial for sustainability of our initiatives. Training and capacity building of communities and relevant stakeholders to successfully adopt and carry forward these initiatives is done from time to time.

   Please refer the Company's 'Annual CSR Report 2019-20' and 'Community Development' section of Tata Motors Sustainability Report 2019-20 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 hears 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 are 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 2020	1.59	0.11	0.132

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 Company displays all the requisite product information and safety guidance on the product label as required by the local laws. Over and above the mandatory requirements, the Company also subscribes to guidance by SIAM on various customer information requirements such as the Fuel Economy Customer Information. The vehicle manual is an important source of information for customers which contains product information, safety guidance, customer support details and tips on efficient use of the vehicle.

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

The National Fair Trade Regulator - the Competition Commission of India ('CCI') had initiated legal actions for alleged anti – competition behaviour against 17 manufactures including the Company. The Company with other Auto Manufacturers have filed Special Leave Petitions (SLPs) in the Supreme Court 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 matters are now pending 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 CCI. The CCI has been making preliminary enquiries in the matter before deciding if it is worth going for further formal enquiry. The Company and the dealer have made their respective submissions before the CCI and it is awaiting decision in the matter.

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

Regular customer satisfaction surveys are conducted to assess customer satisfaction levels and benchmark the Company's performance with industry peers. The customer centricity has been intrinsic to our culture – develop, deliver, delight. The Company continuously strive 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).

The Passenger Vehicle business uses globally renowned J.D.Power survey scores to assess overall customer satisfaction and benchmark with industry peers. The Commercial Vehicle business conduct customer satisfaction survey (eQ scores) through External Agency AC Nielsen every year. The eQ i.e. CEI scores conducted by AC Nielsen are in line with our internal satisfaction scores. The commitment to offer its customers a seamless after-sales experience, the Company one again was ranked the 2nd highest with a score of 870 (above industry average of 826) in the prestigious J.D. Power India Customer Service Index (Mass Market) Study SM for the FY 2019-20. This is the third consecutive year that the Company has secured this rank.

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 March 31, 2020, 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 March 31, 2020, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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
1) Impact of COVID-19 pandemic on Going Concern assessment of the Company	
Refer Note 2(c) related to "Going Concern" and Note 2(d)(v) related to "Estimation of uncertainties relating to the global health pandemic from COVID-19" of the standalone financial statements The World Health Organisation in February 2020 declared COVID 19 as a pandemic. Governments around the world including India have been taking 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 also had to be closed down for a considerable period of time, including after the year end. These lockdowns have a significant impact on the overall economic activity in India and in particular on the automotive industry. Accordingly, the future cash flow projections used to assess going concern are subject to significant estimation uncertainties. In view of the above, we have identified our assessment of the going concern basis of accounting as a key audit matter.	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: • Obtained an understanding of the Company's internal controls over its forecasting process; • Compared the key assumptions adopted by the Company in preparing the forecasted cash flows with our expectations based on actual cashflows of 2019-20 and our understanding of the changes to the Company's business; • Assessed the sensitivities and performed stress testing on the forecasted cash flows; • Examined the Company's funding arrangements and evaluated the financing terms and covenants to assess its ability to renew existing loans and/or obtain additional financing if the need arises; • Assessed the adequacy of the disclosures related to application of the going concern assumption.

2) Impairment of property, plant and equipment and intangible assets of passenger vehicles cash generating unit	
The Company holds intangible assets under development and tests its cash generating units ('CGU') for impairment at least annually. The Company has identified its passenger vehicle business unit as a separate cash generating unit ('CGU'). As at March 31, 2020, the Company recognized an impairment loss of ₹ 1,418.64 crores for this CGU. The carrying value after impairment of the net assets in this CGU is ₹ 9,120.31 crores. The history of losses in the passenger vehicles CGU, declining sales volumes and the suspension of manufacturing and sales activity due to mandatory lockdowns towards and after year end consequent to the COVID-19 pandemic has led to the impairment test being subject to significant judgements and estimates applied by management. Management believes that no further adjustments are required to these estimates. However, in view of the highly uncertain economic environment impacting the automotive industry, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these financial statements. This annual impairment test is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates, capital expenditure and the weighted-average cost of capital (discount rate), to be used to estimate the recoverable amount. (Refer note 2(r) 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 tested the design, implementation and operating effectiveness of key controls over the assumptions and inputs used in cash flow forecasts and valuation models. **Test of Details:** • Involved independent valuation specialist to assist in evaluating the appropriateness of the valuation models used including evaluating whether the comparable companies considered in the fair value less costs to sell (FVLCS) model are appropriate and whether the discount rate applied in the value in use (VIU) model is appropriate; • evaluated the appropriateness of the assumptions applied to key inputs such as sales volumes and prices, operating costs, long-term growth rates, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Company and the industry; • performed sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the impairment loss recognized; and • evaluated the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.
3) Recognition of product development cost as an intangible asset	
Product development costs incurred on new vehicle platforms, engines, transaxles and new vehicles are recognised as intangible assets only when: • technical feasibility has been established, • the Company has committed technical and commercial resources to complete the development and use the intangible asset and • it is probable the asset will generate future economic benefits. The costs capitalised during the year include the cost of technical know-how expenses, materials, direct labour, inspecting and testing charges, designing cost, software expenses and directly attributable overhead expenditure incurred up to the date the intangible asset is available for use including interest. The recognition of product development cost as an intangible asset is considered to be a key audit matter given the assessment of the recognition criteria set out in Ind AS 38 'Intangible Assets' is made at an early stage of product development and there are inherent challenges with accurately predicting the future economic benefit, which must be assessed as 'probable' for capitalisation to commence. There is a risk therefore that development cost may get capitalised where the relevant criteria has not been met. Further, the decline in volumes in the current year and the suspension of manufacturing activity due to mandatory lockdowns towards and after year end consequent to the COVID-19 pandemic has significantly increased the estimation uncertainties. (Refer note 2{o} and note 5 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:** • Tested the Company's design, implementation and operating effectiveness of controls to comply with the recognition criteria set out in Ind AS 38 'Intangible Assets' for projects initiated during the year. **Test of details:** • Evaluated the inputs used for volumes, sales, margins and capital expenditure in the assessment of future economic benefit; • Evaluated historical forecasting accuracy for these inputs by comparing the historical forecasts to the actual results for similar projects; • Performed a sensitivity analysis of changes in the forecasts considering the impact of historical forecasting accuracy; • For selected projects, examined approvals of the project oversight committee to determine the expected future economic benefits and technical feasibility of the project. • For selected projects, compared the inputs used in the forecasting of future economic benefit to source documents.

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 auditors' 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 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 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. 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 ₹6,876.67 crores as at March 31, 2020, total revenue (before consolidation adjustments) of ₹5,610.74 crores and net profit after tax (before consolidation adjustments) of ₹286.94 crores and net cash inflows (before consolidation adjustments) amounting to ₹509.62 crores for the year ended March 31, 2020, 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 March 31, 2020 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 March 31, 2020 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 March 31, 2020 on the financial position of the Company and its joint operations - Refer Note 40 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 50 (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 March 31, 2020;

    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 March 31, 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

We draw your attention to Note 45 to the standalone financial statements for the year ended March 31, 2020 according to which the managerial remuneration paid to the CEO and Managing Director of the Company amounting to ₹16.48 crores for the financial year exceeds the prescribed limits under Section 197 read with Schedule V to the Act by ₹11.82 crores. This amount excludes Performance and Long term Incentives, which will be accrued post determination and approval by the Nomination and Remuneration Committee of the Company, and such amounts will also exceed the prescribed limits. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting. 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

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN - 20049265AAAAAP9940

Place: Mumbai
Date: June 15, 2020

Annexure A to the Independent Auditors' Report – 31 March 2020

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 2020, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for certain tools where the Company is in the process of updating the location.

(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 except for certain title deeds for land and buildings amounting to ₹ 829.39 crores which are yet to be transferred in the name of the Company. 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 / subsequent to the year end. 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, except as reported below.

c) The Company has an amount of ₹ 1.28 crores overdue towards interest for more than ninety days from a subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013. As explained to us, the Company is considering certain steps for recovery of overdue amounts.

(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 40 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 March 28, 2017 seeking an extension of exemption from contribution to the Scheme for a period of 3 years approval of which is awaited. 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 March 31, 2020, for a period of more than six months from the date they became payable. We draw attention to note 40 to the financial statements which more fully explains the matter regarding non-payment of provident fund contribution pursuant to Supreme Court judgement dated February 28, 2019.

(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
		107.96	107.96	2003-04, 2005-06 to 2011-12 and erstwhile Tata Finance Limited 1997-98 to 1999-2000	Income Tax Appellate Tribunal
		227.62 #	121.09	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	42.28	0.15	1991 -92, 1992-93 ,1993-94,2002-2003,2005-06,,2006-07,2009-10,2010-2011	High Court
		553.99	23.47	1991-92,1992-93,1994-95,1996-97,1997-98 and 1999-2000 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal
		10.08	0.34	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
		161.28	3.82	2004-05 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal
Sales Tax	Sales tax	13.18	-	1995-96	Supreme Court
		281.50	50.51	1984-85 to 1988-89, 1990-91, 1992-93, 2001-02 to 2005-06, 2007-08 to 2016-17.	High Court
		242.91	26.73	1983-84, 1985-86, 1989-90,1998-99, 2000-01 and 2004-05 to 2015-16	Sales Tax Tribunal
		451.23	26.31	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	The Custom, Excise and Service Tax Appellate Tribunal

*includes refunds adjusted by the authorities.

Demand of ₹106.53 crores has been subsequently deleted pursuant to order under section 154 of the Income Tax Act, 1961 passed on June 8, 2020.

(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 March 31, 2020, except for ₹11.82 crores of remuneration paid / provided to its CEO and Managing Director which is in excess of the limits prescribed under Section 197 read with Schedule V of the Act. This amount excludes Performance and Long Term Incentives, which will be accrued post determination and approval by the Nomination and Remuneration Committee of the Company, and such amounts will also exceed the prescribed limits. As per the provisions of the Companies Act, 2013 the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting.

(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 ₹ 3,892 crores, ₹2,762 crores has been utilized till March 31, 2020 (also refer note [22(h)] to the standalone financial statements). Pending utilization, the funds aggregating to ₹1,130 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. Accordingly, 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 of India Act, 1934.

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

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN - 20049265AAAAAP9940

Place: Mumbai
Date: 15 June 2020

Annexure B to the Independent Auditors' Report 31 March 2020

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)

Qualified Opinion

We have audited the internal financial controls with reference to financial statements of Tata Motors Limited ('the Company') as of 31 March 2020 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, except for the possible effects of the material weakness described below on the achievement of the objectives of the control criteria, the Company and its joint operations which are companies incorporated in India, have maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, 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 of India (the "Guidance Note').

We have considered the material weakness identified and reported below in determining the nature, timing and extent of audit tests applied in our audit of the 31 March 2020 standalone financial statements of the Company, and the material weakness does not affect our opinion on the standalone financial statements of the Company.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the Company's internal financial controls with reference to financial statements as at 31 March 2020 related to preservation of documentary evidence of the input/output parameters used in extracting system generated reports, to validate the controls over the completeness and accuracy of information used in various process level and management review controls.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

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 information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act').

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding 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 qualified audit opinion on the internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN - 20049265AAAAAP9940

Place: Mumbai
Date: 15 June 2020

Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	18,870.67	18,316.61
(b) Capital work-in-progress		1,755.51	2,146.96
(c) Right of use assets	4 (a)	669.58	-
(d) Goodwill		99.09	99.09
(e) Other intangible assets	5 (a)	5,568.64	3,871.13
(f) Intangible assets under development	5 (b)	2,739.29	4,139.63
(g) Investments in subsidiaries, joint ventures and associates	7	15,182.29	14,770.81
(h) Financial assets			
(i) Investments	9	548.57	663.38
(ii) Loans and advances	11	138.46	143.13
(iii) Other financial assets	13	1,512.96	994.39
(i) Non-current tax assets (net)		727.97	715.30
(j) Other non-current assets	15	1,208.08	1,819.90
		49,021.11	**47,680.33**
(2) CURRENT ASSETS			
(a) Inventories	17	3,831.92	4,662.00
(b) Investments in subsidiaries and associate (held for sale)	8	-	257.81
(c) Financial assets			
(i) Investments	10	885.31	1,175.37
(ii) Trade receivables	18	1,978.06	3,250.64
(iii) Cash and cash equivalents	20	2,145.30	487.40
(iv) Bank balances other than (iii) above	21	1,386.89	819.21
(v) Loans and advances	12	232.14	200.08
(vi) Other financial assets	14	1,546.56	1,279.68
(d) Assets classified as held for sale	50 (iv)	191.07	162.24
(e) Other current assets	16	1,371.51	934.87
		13,568.76	**13,229.30**
TOTAL ASSETS		**62,589.87**	**60,909.63**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	22	719.54	679.22
(b) Other equity		17,668.11	21,483.30
		18,387.65	**22,162.52**
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	24	14,776.51	13,914.74
(ii) Lease liabilities		522.24	5.07
(iii) Other financial liabilities	26	854.74	180.80
(b) Provisions	28	1,769.74	1,281.59
(c) Deferred tax liabilities (net)		198.59	205.86
(d) Other non-current liabilities	31	269.58	218.24
		18,391.40	**15,806.30**
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	25	6,121.36	3,617.72
(ii) Lease liabilities		83.30	3.64
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises		101.56	134.12
(b) Total outstanding dues of creditors other than micro and small enterprises		8,000.69	10,274.71
(iv) Acceptances		2,741.69	3,093.28
(v) Other financial liabilities	27	5,976.35	2,234.34
(b) Provisions	29	1,406.75	1,148.69
(c) Current tax liabilities (net)		31.49	78.30
(d) Other current liabilities	32	1,347.63	2,356.01
		25,810.82	**22,940.81**
TOTAL EQUITY AND LIABILITIES		**62,589.87**	**60,909.63**

See accompanying notes to financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai

Date: June 15, 2020

Statement of Profit and Loss

(₹ in crores)

		Notes	Year ended March 31, 2020	Year ended March 31, 2019
	Revenue from operations			
	Revenue		43,485.76	68,764.88
	Other operating revenue		442.41	437.88
I.	Total revenue from operations	33	43,928.17	69,202.76
II.	Other Income	34	1,383.05	2,554.66
III.	Total Income (I+II)		**45,311.22**	**71,757.42**
IV.	Expenses			
	(a) Cost of materials consumed		26,171.85	43,748.77
	(b) Purchases of products for sale		5,679.98	6,722.32
	(c) Changes in inventories of finished goods, work-in-progress and products for sale		722.68	144.69
	(d) Employee benefits expense	35	4,384.31	4,273.10
	(e) Finance costs	36	1,973.00	1,793.57
	(f) Foreign exchange loss (net)		239.00	215.22
	(g) Depreciation and amortisation expense		3,375.29	3,098.64
	(h) Product development/Engineering expenses		830.24	571.76
	(i) Other expenses	37	7,720.75	9,680.46
	(j) Amount transferred to capital and other accounts	38	(1,169.46)	(1,093.11)
	Total Expenses (IV)		**49,927.64**	**69,155.42**
V.	Profit/(loss) before exceptional items and tax (III-IV)		(4,616.42)	2,602.00
VI.	Exceptional items			
	(a) Employee separation cost		2.69	4.23
	(b) Write off/(reversal) of provision/ impairment of capital work-in-progress and intangibles under development (net)	39 (a)	(73.03)	180.66
	(c) Provision for loan given to/investment in subsidiary companies/joint venture		385.62	241.86
	(d) Profit on sale of investment in a subsidiary company	39 (b)	-	(332.95)
	(e) Provision for impairment of Passenger Vehicle Business	6 (a)	1,418.64	-
	(f) Provision for Onerous Contracts	6 (b)	777.00	-
	(g) Others	39 (c)	-	109.27
VII.	Profit/(loss) before tax (V-VI)		(7,127.34)	2,398.93
VIII.	Tax expense (net)	30		
	(a) Current tax		33.05	294.66
	(b) Deferred tax		129.24	83.67
	Total tax expense		**162.29**	**378.33**
IX.	Profit/(loss) for the year from continuing operations (VII-VIII)		**(7,289.63)**	**2,020.60**
X.	Other comprehensive income/(loss):			
	(A) (i) Items that will not be reclassified to profit or loss:			
	(a) Remeasurement losses on defined benefit obligations (net)		(105.32)	(67.14)
	(b) Equity instruments at fair value through other comprehensive income		(115.72)	55.44
	(ii) Income tax credit relating to items that will not be reclassified to profit or loss		33.71	18.07
	(B) (i) Items that will be reclassified to profit or loss - losses in cash flow hedges		(294.19)	(45.72)
	(ii) Income tax credit relating to items that will be reclassified to profit or loss		102.80	15.92
	Total other comprehensive loss, net of taxes		(378.72)	(23.43)
XI.	Total comprehensive income/(loss) for the year (IX+X)		**(7,668.35)**	**1,997.17**
XII.	Earnings per equity share (EPS)	41		
	(A) Ordinary shares (face value of ₹ 2 each) :			
	(i) Basic	₹	(21.06)	5.94
	(ii) Diluted	₹	(21.06)	5.94
	(B) 'A' Ordinary shares (face value of ₹ 2 each) :			
	(i) Basic	₹	(21.06)	6.04
	(ii) Diluted	₹	(21.06)	6.04

See accompanying notes to financial statements

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

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai

Date: June 15, 2020

Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities:		
Profit/(loss) for the year	**(7,289.63)**	**2,020.60**
Adjustments for:		
Depreciation and amortisation expense	3,375.29	3,098.64
Allowances for trade and other receivables	65.35	170.90
Inventory write down (net)	84.50	42.13
Provision for loan given to/investment in subsidiary companies/joint venture	385.62	241.86
Exceptional item- others	-	109.27
Provision for impairment of Passenger Vehicle Business	1,418.64	-
Provision for Onerous Contracts	777.00	-
Share-based payments	4.70	8.44
Marked-to-market loss/(gain) on investments measured at Fair value through profit or loss	0.43	(1.90)
Write off/(reversal) of provision for impairment of capital work-in-progress and intangibles under development (net)	(73.03)	180.66
Loss on sale of assets (net) (including assets scrapped/written off)	168.04	223.94
Profit on sale of investment in a subsidiary company	-	(332.95)
Profit on sale of investments at FVTPL (net)	(70.16)	(69.27)
Gain on fair value of below market interest loans	-	(13.37)
Tax expense (net)	162.29	378.33
Finance costs	1,973.00	1,793.57
Interest income	(483.72)	(335.87)
Dividend income	(241.22)	(1,526.25)
Foreign exchange loss (net)	182.32	178.26
	7,729.05	4,146.39
Cash flows from operating activities before changes in following assets and liabilities	**439.42**	**6,166.99**
Trade receivables	1,168.02	164.50
Loans and advances and other financial assets	53.29	(276.11)
Other current and non-current assets	22.78	204.77
Inventories	730.01	966.00
Trade payables and acceptances	(2,688.95)	(725.29)
Other current and non-current liabilities	(1,165.05)	323.95
Other financial liabilities	201.38	(892.00)
Provisions	(122.95)	542.04
Cash generated from/(used in) operations	(1,362.05)	6,474.85
Income taxes paid (net)	(92.54)	(182.22)
Net cash from/(used in) operating activities	**(1,454.59)**	**6,292.63**
Cash flows from investing activities:		
Payments for property, plant and equipments	(2,748.60)	(2,790.45)
Payments for other intangible assets	(1,919.98)	(1,993.03)
Proceeds from sale of property, plant and equipments	155.16	30.25
Redemption of investments in Mutual Fund (net)	358.87	413.74
Investments in subsidiary companies	(467.00)	(837.98)
(Purchase)/sale of business from/to subsidiary company	25.82	(0.10)
Loan given to joint ventures	-	(3.75)
Loan given to subsidiary companies	(7.79)	(0.50)
Sale of Investment in a subsidiary company	-	532.96
Sale of Investment in other companies	-	5.18
Increase in short term inter corporate deposit (net)	(10.07)	(2.00)
Deposits with financial institution	(1,000.00)	(500.00)
Realisation of deposits with financial institution	750.00	-

Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Deposits/restricted deposits with banks	(3,419.37)	(827.72)
Realisation of deposits/restricted deposits with banks	2,851.53	257.08
Interest received	471.35	327.16
Dividend received	241.22	1,568.61
Net cash used in investing activities	**(4,718.86)**	**(3,820.55)**
Cash flows from financing activities		
Proceeds from issue of shares and warrants (net of issue expenses)	3,888.79	-
Proceeds from long-term borrowings (net of issue expenses)	4,781.55	3,119.71
Repayment of long-term borrowings	(1,131.68)	(3,823.69)
Proceeds from Option settlement of long-term borrowings	190.90	-
Proceeds from short-term borrowings	9,178.61	6,274.19
Repayment of short-term borrowings	(8,003.51)	(5,153.61)
Net change in other short-term borrowings (with maturity up to three months)	1,311.36	(588.97)
Repayment of lease liabilities (including interest)	(193.63)	-
Dividend paid	(3.52)	(2.63)
Interest paid [including discounting charges paid, ₹371.57 crores (March 31, 2019 ₹449.04 crores)]	(2,269.66)	(2,354.70)
Net cash from/(used in) financing activities	**7,749.21**	**(2,529.70)**
Net increase/(decrease) in cash and cash equivalents	1,575.76	(57.62)
Cash and cash equivalents as at April 1, (opening balance)	487.40	546.82
Exchange fluctuation on foreign currency bank balances	82.14	(1.80)
Cash and cash equivalents as at March 31, (closing balance)	**2,145.30**	**487.40**
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/ deferred credit	403.02	438.19
Increase in liabilities arising from financing activities on account of non-cash transactions :		
Exchange differences	660.75	341.51
Amortisation / EIR adjustments of prepaid borrowings	10.02	3.21

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

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

Date: June 15, 2020

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

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 23)

(₹ in crores)

Particulars	Securities premium	Share based payments reserve	Money received against Share Warrants	Capital redemption reserve	Debenture redemption reserve	Capital Reserve	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**
Loss for the year	-	-	-	-	-	-	(7,289.63)	-	-	-	(7,289.63)
Other comprehensive loss for the year	-	-	-	-	-	-	(69.07)	(118.26)	(142.15)	(49.24)	(378.72)
Total comprehensive 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**	**1038.84**	**(359.37)**	**(5,821.83)**	**(56.00)**	**(168.55)**	**(42.79)**	**17,668.11**

See accompanying notes to financial statements

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YEZDI NAGPOREWALLA
Partner
Membership No. 049265
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Place- Mumbai

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai

Date: June 15, 2020

Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2019

A. EQUITY SHARE CAPITAL

(₹ in crores)

Particulars	
Balance as at April 1, 2018	**679.22**
Proceeds from issue of shares	-
Balance as at March 31, 2019	**679.22**

B. OTHER EQUITY (Refer Note 23)

(₹ in crores)

Particulars	Securities premium	Share based payments reserve	Capital redemption reserve	Debenture redemption reserve	Capital Reserve	Retained earnings	Other components of equity			Total other equity
							Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2018	**19,213.93**	**-**	**2.28**	**1,085.94**	**(345.30)**	**(491.86)**	**16.92**	**(3.14)**	**12.99**	**19,491.76**
Purchase of business from a subsidiary Company	-	-	-	-	(14.07)	-	-	-	-	(14.07)
Profit for the year	-	-	-	-	-	2,020.60	-	-	-	2,020.60
Other comprehensive income/(loss) for the year	-	-	-	-	-	(43.90)	50.27	(23.26)	(6.54)	(23.43)
Total comprehensive income/(loss) for the year	-	-	-	-	-	1,976.70	50.27	(23.26)	(6.54)	1,997.17
Realised gain on investments held at fair value through Other comprehensive income	-		-	-	-	4.93	(4.93)	-	-	-
Share-based payments	-	8.44	-	-	-	-	-	-	-	8.44
Balance as at March 31, 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**

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P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai

Date: June 15, 2020

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, 2020, Tata Sons Pvt. Limited, together with its subsidiaries owns 42.32% of the Ordinary shares and 5.35% 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 June 15, 2020.

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 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 50 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

These financial statements have been prepared on a going concern basis. The management has given the significant uncertainties arising out of the outbreak of COVID-19, as explained in Note (d) (v), assessed the cash flow projections and available liquidity for a period of twenty four months from the date of these financial statements. Based on this evaluation, management believes that the Company will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these financial statements based on the following

i) As at March 31, 2020, the Company reviewed its business and operations to take into consideration the estimated impacts and effects of the COVID-19 pandemic, including the estimated impact on the macroeconomic environment, the market outlook and the Company's operations. Expected future cash flows from operating activities and capital expenditure is based on the undermentioned key assumptions in the business projections:

- Revenues based on latest total industry forecasts/estimates.

  Indian automobile industry volume forecast of about 2.78 million units and 3.18 million units for the financial year ending March 31, 2021 and 2022, representing decreases of about 21% and 9%, respectively compared to year ended March 31, 2020 industry volumes of about 3.50 million units. A decrease in the Company volumes is somewhat less for the year ending March 31, 2021 and 2022, compared to the industry assumptions referenced.

- Reduction in capital expenditure considering the macroeconomic environment by suspending certain programs. Estimated capital expenditure for the year ending March 31, 2021 is ₹1,500 crores for the Company.

- Working capital cash inflows due to lower levels of inventory and trade receivables along with increase in acceptances with more suppliers/ vendors opting for the same resulting in a net cash inflow of ₹1,500 crores in the year ending March 31, 2021 as compared to year ended March 31, 2020.

ii) Available credit facilities

- Long term borrowings subsequent to March 31, 2020 raised of ₹1,000 crores [Note 50 (v)] and borrowings agreed with lenders of ₹3,000 crores.

- Various undrawn limits available with the Company amounting to ₹4,065 crores, under Revolving credit facility and limits with Consortium banks as at March 31, 2020.

- Exercise of options by Tata Sons Private Limited (Note 22).

  Based on the above factors, Management has concluded that the 'going concern' assumption is appropriate. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a Going Concern.

Notes Forming Part of Financial Statements

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 future periods affected.

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

i) Note 3 and Note 5 - Property, plant and equipment and Intangible assets- useful life and impairment

ii) Note 30- Recoverability/recognition of deferred tax assets

iii) Note 28 and 29 - Provision for product warranty

iv) Note 48- 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. The pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking 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 also had to be closed down for a considerable period of time, including after the year end. As a result of the lockdown, the likely revenue for the quarter ended March 2020 has been impacted. Continued lockdowns are likely to impact the Company operationally including on supply chain matters. The Company is monitoring the situation closely taking into account directives from the Government.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial statements including but not limited to its assessment of 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 on the overall economic activity in India and in particular on the automotive industry, the impact assessment of COVID-19 on the above-mentioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

e. 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 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 period of time is recorded as a contract liability and recorded as revenue when service is rendered to customers.

Notes Forming Part of Financial Statements

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

f. 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.

These 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.

g. Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure capitalised represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction including product development undertaken by the Company.

h. 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. Provisions are determined by discounting the expected future cash flows at 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 recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and 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.

i. 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 which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs.

j. 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 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 that 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.

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 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.

Notes Forming Part of Financial Statements

k. Cash and cash equivalents

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

l. 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.

m. 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.

n. Property, plant and equipment

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

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, 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.

o. Other intangible assets

Intangible assets purchased are measured at cost 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.

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.

Notes Forming Part of Financial Statements

Product development expenditure is measured at cost less accumulated amortisation and accumulated impairment, if any.

p. 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.

q. Leases [refer note 2 (z) (i)]

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

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

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

r. 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.

s. 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.

Notes Forming Part of Financial Statements

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, 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 been actuarially valued as a defined benefit.

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.

ix) 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.

t. 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.

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.

Notes Forming Part of Financial Statements

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, 2020 (₹ Nil as at March 31, 2019)

v. Segments

The Company primarily operates in the automotive segment. The automotive segment 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) Classification, initial recognition and measurement:

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 assets other than equity instruments are classified into categories: financial assets at fair value through profit and loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit and loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit and loss and other financial liabilities.

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

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

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: 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 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.

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:

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

Notes Forming Part of Financial Statements

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.

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

iv) Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost. Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

y. 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.

These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax) and the 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. 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.

z. Recent accounting pronouncements

i) New accounting pronouncements adopted by the Company during the current financial year

Ind AS 116 – Leases (refer note 4- Right of use assets)

The Company adopted Ind AS 116 with effect from April1, 2019. In accordance with Ind AS 116, at the inception of a contract, the Company assessed whether the contract is or contains a lease.

The Company used following practical expedients on date of initial application of Ind AS 116.

1. With leases previously classified as operating leases according to Ind AS 17, the lease liability was measured at the present value of the outstanding lease payments, discounted by the incremental borrowing rate at April 1, 2019. The respective right-of-use asset was recognised at an amount equal to the lease liability;
2. Regardless of their original lease term, leases for which the lease term ends latest on March 31, 2020, were recognised as short-term leases;
3. At the date of initial application, the measurement of a right-of-use asset excluded the initial direct costs; and
4. Hindsight was considered when determining the lease term if the contract contains options to extend or terminate the leases.

Lease payments of short term leases and leases of low value items are recognized as expense equally over the period of lease. Any lease for which non-cancellable period is less than 12 months is classified as short term lease. Any lease for an asset whose initial value is less than ₹0.03 crores is classified as a low value item.

Amendments issued by MCA to existing standards

The Company adopted following amendments issued by MCA effective from financial year beginning April 1, 2019

Notes Forming Part of Financial Statements

i) **Amendments to Ind AS 12, Income Taxes - Deferred taxes on Dividends and uncertain tax treatment**

An entity is required to create a corresponding liability for payment of Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be. Currently, the Company is recognizing dividend distribution tax on dividends paid to Shareholders in the statement of changes in equity, as per the amendment, the Company will recognize dividend distribution tax on dividend distributed to Shareholders as income tax expense in its statement of profit or loss.

Another amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not. For example, if an entity has not included a particular income in taxable profit, it will be considered as uncertain tax treatment if its acceptability by taxation authority is uncertain. The amendment has been brought by introducing a new Appendix C to Ind AS 12.

If there is uncertainty over tax treatment of an item:

- An entity should determine an approach or method that predicts the resolution of the uncertainty. Based on the approach, the entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.
- It shall assess whether it is probable that the taxation authority will accept the uncertain tax treatment, assuming that the authority has full right to examine the treatment and has full knowledge of all related information.
- If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related aforesaid items by using either the most likely outcome or the expected outcome of the uncertainty.

ii) **Amendments to Ind AS 109, Financial Instruments: Prepayment of loans**

The amendments notified in Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied. Similarly, the holder may classify them either measured at fair value through profit or loss or measured at amortised cost in accordance with conditions of Ind AS 109.

iii) **Amendments to Ind AS 19, Employee Benefits: Changes in Employee benefit plan**

When a change to a plan by way of either an amendment, curtailment or settlement takes place, Ind AS 19 requires a Company to remeasure its net defined benefit liability or asset.

The amendments to Ind AS 19 require a Company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, Ind AS 19 did not specify how to determine these expenses for the period after the change to the plan.

iv) **Amendments to Ind AS 28, Investments in Associates and Joint Ventures**

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. This amendment to Ind AS 28 clarifies that Ind AS 109 should be applied to financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

There were no significant impact on the Company's financial statements upon adoption of the above amendments issued by MCA.

Notes Forming Part of Financial Statements

3. 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, 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**
Effect of transition on adoption of Ind AS 116	-	-	-	-	-	-	-	-	(31.28)	(39.95)	(186.16)	(4.31)	(261.70)
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)**
Effect of transition on adoption of Ind AS 116	-	-	-	-	-	-	-	-	7.29	35.69	180.57	2.37	225.92
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**
Cost as at April 1, 2018	**4,574.93**	**3,523.52**	**26,178.65**	**245.92**	**242.35**	**660.69**	**38.04**	**4.02**	**31.28**	**39.95**	**186.16**	**4.31**	**35,729.82**
Additions	-	102.50	1,991.57	6.88	63.40	60.78	-	-	-	-	-	-	2,225.13
Asset acquired on purchase of business of a subsidiary Company	-	0.31	24.68	1.93	0.09	2.05			-	-	-	-	29.06
Disposal	-	(6.80)	(660.05)	(0.21)	(33.95)	(157.50)	-	-	-	-	-	-	(858.51)
Cost as at March 31, 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**
Accumulated depreciation as at April 1, 2018	-	(1,103.96)	(15,391.09)	(143.08)	(115.78)	(543.28)	(21.62)	(0.75)	(6.78)	(35.39)	(174.06)	(1.51)	(17,537.30)
Depreciation for the year	-	(121.78)	(1,791.99)	(13.33)	(46.00)	(34.36)	(1.72)	(0.09)	(0.51)	(0.30)	(6.51)	(0.86)	(2,017.45)
Asset acquired on purchase of business of a subsidiary Company	-	(0.27)	(18.34)	(1.42)	(0.05)	(1.41)	-	-	-	-	-	-	(21.49)
Assets written off	-	-	42.55	-	0.49	8.02	-	-	-	-	-	-	51.06
Disposal	-	5.68	540.36	0.16	28.00	142.09	-	-	-	-	-	-	716.29
Accumulated depreciation as at March 31, 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)**
Net carrying amount as at March 31, 2019	**4,574.93**	**2,399.20**	**10,916.34**	**96.85**	**138.55**	**137.08**	**14.70**	**3.18**	**23.99**	**4.26**	**5.59**	**1.94**	**18,316.61**

Notes:

a) Building include ₹**8,631.00** (as at March 31, 2019 ₹8,631.00) being value of investments in shares of Co-operative Housing Societies.

b) Land and Buildings include ₹**829.39 crores** (as at March 31, 2019 ₹525.80 crores) for which transfer of title is pending.

Notes Forming Part of Financial Statements

4 (a). RIGHT OF USE ASSETS

On transition to Ind AS 116, the Company recognized right of use assets for leases of all assets, other than low value items or which are short term in nature. Lease liabilities were recognized for all such right of use assets equivalent to the amount of discounted value of all future lease payments. The reconciliation of the Company's commitment towards all its future minimum rental payments under non cancellable operating leases as at March 31, 2019 and lease liability recognized as per Ind AS 116 as at April 1, 2019 is as follows:

	(₹ in crores)
Future minimum rental payments under non cancellable operating leases as at March 31, 2019	32.20
Operating leases with renewal and termination options, others, etc. recorded on transition	495.21
Gross lease liabilities for former operating leases as at April 1, 2019	**527.41**
Discounting impact	(46.75)
Lease liabilities for former operating leases as at April 1, 2019	**480.66**
Present value of finance lease liabilities as at March 31, 2019	8.71
Total lease liabilities as at April 1, 2019	**489.37**

When measuring lease liability, the Group discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted-average rate applied is 8.79 %.

The following amounts are included in the Balance Sheet as at March 31, 2020:

	(₹ in crores)
Current lease liabilities	83.30
Non-current lease liabilities	522.24
Total lease liabilities	**605.54**

The following amounts are recognised in the statement of profit and loss for the year ended March 31, 2020:

	(₹ in crores)
Interest expense on lease liabilities	31.40
Variable lease payment not included in the measurement of lease liabilities	2.98
Expenses related to short-term leases	15.12
Expenses related to low-value assets, excluding short-term leases of low-value assets	3.85

(₹ in crores)

	Land	Buildings	Plant, machinery and equipments	Furniture, Fixtures and Office Equipments	Computers & other IT assets	Total
Cost						
Effect of transition on adoption 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						
Effect of transition on adoption 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 has not yet commenced, for ₹**171.00 crores** as on March 31, 2020

Note:

The Company has adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019. Accordingly, the comparative periods have not been restated. There is no impact of Ind AS 116 adoption to the retained earnings as at April 1, 2019. The Company has recognized ₹489.37 crores as right of use assets and the corresponding lease liability on the date of transition i.e. April 1, 2019. Further, an amount of ₹124.31 crores has been reclassified from non-current/current assets to right of use assets for prepaid operating lease rentals. In the financial statements for the year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from lease rent in previous period to amortisation for the right of use asset and finance cost for interest accrued on lease liability. In respect of leases that were classified as finance lease, applying Ind AS 17, an amount of ₹260.20 crores has been reclassified from property, plant and equipment to right of use assets. There is no material impact on loss after tax and earnings per share for the year ended March 31, 2020, on adoption of Ind AS 116.

Notes Forming Part of Financial Statements

4 (b) LEASES UNDER IND AS 17

The Company has taken land, buildings, plant and equipment, computers and furniture and fixtures under operating and finance leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company:

(₹ in crores)

	As at March 31, 2019		
	Operating	Finance	
	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments
Not later than one year	0.63	5.40	3.65
Later than one year but not later than five years	2.48	5.59	3.95
Later than five years	29.09	1.26	1.11
Total minimum lease commitments	**32.20**	**12.25**	**8.71**
Less: future finance charges		(3.54)	
Present value of minimum lease payments		**8.71**	
Included in the financial statements as:			
Lease liabilities - current			3.64
Lease liabilities - non-current			5.07
			8.71

Total operating lease rent expenses were ₹**61.35 crores** for the year ended March 31, 2019.

The Company has given plant and equipment under finance leases. The following is the summary of future minimum lease payments receivables for assets given on finance leases by the Company:

	As at March 31, 2019	
	Minimum lease payments receivables	Present value of minimum lease payments receivables
Not later than one year	32.11	12.24
Later than one year but not later than five years	163.63	105.20
Total minimum lease payments receivables	**195.74**	**117.44**
Less: unearned finance income	(78.30)	
Present value of minimum lease payments receivables	**117.44**	
Included in the financial statements as:		
Other financial assets - current (refer note 14)		12.24
Other financial assets - non-current (refer note 13)		105.20
		117.44

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, 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**
Cost as at April 1, 2018	**391.24**	**572.92**	**6,372.64**	**7,336.80**
Additions	-	36.50	1,603.48	1,639.98
Asset acquired on purchase of business of a subsidiary Company	3.02	2.56	-	5.58
Fully amortised not in use	(34.04)	(26.68)	(749.33)	(810.05)
Cost as at March 31, 2019	**360.22**	**585.30**	**7,226.79**	**8,172.31**
Accumulated amortisation as at April 1, 2018	(195.77)	(519.28)	(3,309.61)	(4,024.66)
Amortisation for the year	(47.55)	(26.51)	(1,007.13)	(1,081.19)
Asset acquired on purchase of business of a subsidiary Company	(1.94)	(2.41)	-	(4.35)
Fully amortised not in use	34.04	26.68	748.30	809.02
Accumulated amortisation as at March 31, 2019	**(211.22)**	**(521.52)**	**(3,568.44)**	**(4,301.18)**
Net carrying amount as at March 31, 2019	**149.00**	**63.78**	**3,658.35**	**3,871.13**

(b) INTANGIBLE ASSETS UNDER DEVELOPMENT

	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning	4,139.63	3,825.15
Additions	2,092.54	2,239.68
Capitalised during the year	(3,330.19)	(1,639.98)
Write off/ impairment	(162.69)	(285.22)
Balance at the end	**2,739.29**	**4,139.63**

Notes Forming Part of Financial Statements

6. IMPAIRMENT OF PASSENGER VEHICLE SEGMENT AND OTHER PROVISIONS

(a) Impairment of Passenger Vehicle segment

The Company assessed recoverable value for the Passenger Vehicle segment (TML standalone) which represent a separate cash-generating unit (CGU) for the Company as at March 31, 2020, due to change in market conditions. The recoverable value of ₹9,120.31 crores was determined by Fair Value less Cost of Disposal ('FVLCD'), which was higher than the Value in Use ('VIU') of the relevant assets of the CGU. The recoverable amount was lower than the carrying value of the CGU of ₹10,538.95 crores and this resulted in an impairment charge of ₹1,418.64 crores recognised within 'Exceptional items' as at March 31, 2020.

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 years ended March 31, 2019, March 31, 2020 and forecasted sales for the year ended March 31, 2021 has been considered as the FVLCD as per CCM.

The approach and key (unobservable) assumptions used to determine the CGU's FVLCD were as follows:

	As at March 31,2020
Enterprise value to sales multiple	0.75

The impairment loss of **₹1,418.64 crores** has been allocated initially to the carrying value of non-current assets on a pro-rated basis as follows:

(₹ in crores)

	As at March 31, 2020
Property, plant and equipment [refer note 3]	634.15
Capital work-in-progress	71.21
Right of use assets [refer note 4 (a)]	45.94
Other intangible assets [refer note 5 (a)]	542.00
Intangible assets under development [refer note 5 (b)]	125.34
Total	**1,418.64**

Sensitivity to key assumptions

The change in the following assumptions used in the impairment review would, in isolation, lead to an increase to the aggregate impairment loss recognised as at March 31, 2020 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

(₹ in crores)

Decrease in Enterprise value (EV) to sales multiple by 10%	912.00

(b) Other provisions

During the quarter and year ended March 31, 2020, a provision has been recognized for certain supplier contracts ranging from 5 to 10 years, which have become onerous, as the Company estimates that it will procure lower quantities than committed and the costs will exceed the future economic benefit.

Notes Forming Part of Financial Statements

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, 2020		As at March 31, 2019	
			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. [formerly known as Concorde Motors (India) Limited] [10,00,00,000 Equity Shares allotted during the year]	209.63		109.63	
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 [5,00,00,000 Equity Shares allotted during the year]	3,550.00		3,400.00	
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)	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 3 below]	19.91		19.91	
			Tata Motors Insurance Broking and Advisory Services Ltd. [Note 4 and 5 below]	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. [98,97,908 Equity Shares allotted during the year]	13.00		-	
				15,089.80		**14,807.49**	
			Advance towards investments	-		100.00	
			Less: Provision for impairment	766.97	**14,322.83**	(456.14)	**14,451.35**
			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. [Note 5 below]	238.50		-	
5,23,33,170		10	Tata AutoComp Systems Ltd.	77.47	**425.46**	77.47	**186.96**
			(iii) Joint Ventures (JV)				
			Unquoted				
25,00,000		10	JT Special Vehicle (P) Ltd.	2.50		2.50	
			Less: Provision for impairment	(2.50)	-	-	**2.50**
			(iv) Subsidiaries				
			Cumulative convertible preference shares (Unquoted)				
4,34,00,000		100	TMF Holdings Limited [3,04,00,000 shares acquired during the year]		**434.00**		**130.00**
			TOTAL		**15,182.29**		**14,770.81**

Less than ₹ 50,000

Notes:

		2020	2019
(1)	Market Value of quoted investments	87.59	166.99

(2) The Company had given a letter of comfort to ANZ Bank, London for GBP 2 million (₹18.71 crores as at March 31, 2020) 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) The Company has given a letter of comfort to Unicredit S.P.A., Italy for EUR 1.5 million (₹12.42 crores as at March 31, 2020) 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.

(4) The Company has given a letter of comfort to HDFC bank amounting to ₹1 crores against Working Capital Facility to Tata Motors Insurance Broking and Advisory Services Limited (TMIBASL). Also the Company has given an undertaking to HDFC bank that it will not dilute its stake below 51% in TMIBASL during the tenor of the loan.

(5) Given the delay in completing the sale, the Company has reassessed the position on "Held for Sale" for the investment in the Company's subsidiary Tata Motors Insurance Broking and Advisory Services Ltd. and associate Tata Hitachi Construction Machinery Company Private Ltd. Accordingly, the Company concluded that the investments no longer meet the criteria of "Held for Sale" as per Ind AS 105. The investments in Tata Motors Insurance Broking and Advisory Services Ltd. and Tata Hitachi Construction Machinery Company Private Ltd. are transferred from current to non-current investments.

Notes Forming Part of Financial Statements

8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE (HELD FOR SALE) - CARRIED AT LOWER OF COST OR NET-REALISABLE VALUE - CURRENT

Number	Face value per unit	Description	As at March 31, 2020	As at March 31, 2019
		Equity shares		
		Subsidiaries		
		Unquoted		
		Tata Motors Insurance Broking and Advisory Services Ltd.	–	19.31
		TOTAL	**–**	**19.31**
		Associates		
		Unquoted		
		Tata Hitachi Construction Machinery Company Private Ltd.	–	238.50
		TOTAL	**–**	**257.81**

9. INVESTMENTS-NON-CURRENT

(₹ in crores)

Number	Face value per unit	Description	As at March 31, 2020		As at March 31, 2019	
		Investment in equity shares measured at fair value through other comprehensive income				
		Quoted				
51,41,696	10	Tata Steel Ltd.	138.64		267.89	
3,54,599	10	Tata Steel Ltd. (partly paid)	1.05		2.28	
1,60,000	10	Metal Scrap Trade Corporation Ltd. [note (c) below]	1.27	**140.96**	-	**270.17**
		Unquoted				
50,000	1,000	Tata International Ltd.	58.09		62.70	
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.	68.75		68.75	
2,25,00,001	10	Haldia Petrochemicals Ltd.	75.49		56.48	
2,40,000	10	Oriental Floratech (India) Pvt. Ltd.	-		-	
43,26,651	15	Tata Capital Ltd.	21.89		21.89	
50,000	10	NICCO Jubilee Park Ltd.	0.05	**407.61**	0.05	**393.21**
		TOTAL		**548.57**		**663.38**

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, 2020	As at March 31, 2019
50	5	Jamshedpur Co-operative Stores Ltd.	250	250
16,56,517	(M$) 1	Tatab Industries Sdn. Bhd., (Malaysia)	1	1
4	25,000	ICICI Money Multiplier Bond	1	1
100	10	Optel Telecommunications	1,995	1,995

b)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(1) Book Value of quoted investments	140.96	270.17
(2) Book Value of unquoted investments	407.61	393.21
(3) Market Value of quoted investments	140.96	270.17

c) During the year, the investments in Metal Scrap Trade Corporation Ltd. have been transferred from current to non current investments

Notes Forming Part of Financial Statements

10. INVESTMENTS-CURRENT

(₹ in crores)

Number	Face value per unit	Description	As at March 31, 2020	As at March 31, 2019
		Investments in Mutual funds measured at Fair value through profit and loss		
		Unquoted		
		Mutual funds	885.31	1,174.46
		TOTAL	**885.31**	**1,174.46**
		Investment in equity shares measured at fair value through other comprehensive income		
		Quoted		
		Metal Scrap Trade Corporation Ltd.	-	0.91
		TOTAL	**885.31**	**1,175.37**

Note:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(1) Book Value of quoted investments	-	0.91
(2) Market Value of quoted investments	-	0.91
(3) Book Value of unquoted investments	885.31	1,174.46

11. LOANS AND ADVANCES- NON CURRENT

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
Unsecured :				
(a) Loans to employees		28.33		24.15
(b) Loan to subsidiaries				
Considered good	12.04		12.04	
Credit impaired	593.54		585.75	
	605.58		597.79	
Less : Allowances for credit impaired balances	(593.54)	12.04	(585.75)	12.04
(c) Loan to Joint Venture				
Considered good	-		3.75	
Credit impaired	3.75		-	
	3.75		3.75	
Less : Allowances for credit impaired balances	(3.75)	-	-	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	55.82		57.96	
Credit impaired	0.49		1.84	
	56.31		59.80	
Less : Allowances for credit impaired balances	(0.49)	55.82	(1.84)	57.96
(f) Others				
Considered good	42.27		45.23	
Credit impaired	2.85		8.45	
	45.12		53.68	
Less : Allowances for credit impaired balances	(2.85)	42.27	(8.45)	45.23
TOTAL		**138.46**		**143.13**

Notes Forming Part of Financial Statements

12. LOANS AND ADVANCES- CURRENT

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
Secured :				
Finance receivables		13.44		13.44
(net of allowances for credit impaired balances of ₹**5.20 crores** and ₹5.48 crores as at March 31, 2020 and 2019, respectively)				
Unsecured :				
(a) Advances and other receivables		171.11		129.55
(net of allowances for credit impaired balances of ₹**83.14 crores** and ₹126.34 crores as at March 31, 2020 and 2019, respectively)				
(b) Intercorporate deposits				
Considered good	-		2.00	
Credit impaired	12.07		-	
	12.07		2.00	
Less : Allowances for credit impaired balances	(12.07)	-	-	2.00
(c) Dues from subsidiary companies (Note below)				
Considered good	7.32		16.12	
Credit impaired	0.20		-	
	7.52		16.12	
Less : Allowances for credit impaired balances	(0.20)	7.32	-	16.12
(d) Loan to subsidiary companies				
(i) Tata Motors European Technical Centre Plc, (UK)	39.74		38.46	
(ii) Tata Precision Industries Pte.Ltd.	0.53	40.27	0.51	38.97
Total		**232.14**		**200.08**

Note:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Dues from subsidiary companies:		
(a) PT Tata Motors Indonesia	3.75	3.41
(b) TML Business Services Ltd. [formerly known as Concorde Motors (India) Limited]	-	2.78
(c) Tata Motors Insurance Broking and Advisory Services Ltd.	0.05	0.05
(d) Tata Motors (SA) (Proprietary) Ltd.	1.08	0.79
(e) Tata Motors Nigeria Ltd.	0.20	0.20
(f) PT Tata Motors Distribusi Indonesia	2.36	2.36
(g) Jaguar Land Rover Ltd.	0.07	-
(h) Tata Motors (Thailand) Ltd.	-	6.51
(j) Tata Precision Industries Pte Ltd. (Singapore)	0.01	-
(k) Tata Motors European Technical Centre PLC	-	0.02
	7.52	**16.12**

13. OTHER FINANCIAL ASSETS - NON-CURRENT

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Derivative financial instruments	832.06	360.96
(b) Restricted deposits	4.18	4.02
(c) Finance lease receivable	92.74	105.20
(d) Government incentives	560.89	496.72
(e) Recoverable from suppliers	21.82	26.02
(f) Others	1.27	1.47
TOTAL	**1,512.96**	**994.39**

Notes Forming Part of Financial Statements

14. OTHER FINANCIAL ASSETS - CURRENT

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Derivative financial instruments	135.54	31.04
(b) Interest accrued on loans and deposits	19.44	9.13
(c) Deposit with financial institutions	750.00	500.00
(d) Finance lease receivable	12.47	12.24
(e) Government Incentives	429.69	500.31
(f) Recoverable from suppliers	199.42	226.96
TOTAL	**1,546.56**	**1,279.68**

15. OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Capital advances	332.19	374.95
(b) Taxes recoverable, statutory deposits and dues from government	635.65	981.53
(c) Prepaid lease rental on operating lease	- *	126.61
(d) Recoverable from Insurance companies	231.17	318.81
(e) Others	9.07	18.00
TOTAL	**1,208.08**	**1,819.90**

* Refer note 4 (a)- Right of use assets

16. OTHER CURRENT ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Advance to suppliers and contractors	398.67	193.84
(net of allowances for credit impaired balances of ₹**44.98 crores** and ₹43.87 crores as at March 31, 2020 and 2019, respectively)		
(b) Taxes recoverable, statutory deposits and dues from government	831.66	580.28
(net of allowances for credit impaired balances of ₹**57.75 crores** and ₹58.06 crores as at March 31, 2020 and 2019, respectively)		
(c) Prepaid expenses	97.27	94.93
(d) Recoverable from Insurance companies	11.58	35.75
(e) Others	32.33	30.07
TOTAL	**1,371.51**	**934.87**

17. INVENTORIES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Raw materials and components	1,415.65	1,554.32
(b) Work-in-progress	703.89	406.77
(c) Finished goods	1,237.36	2,257.16
(d) Stores and spare parts	182.52	193.21
(e) Consumable tools	37.97	35.98
(f) Goods-in-transit - Raw materials and components	254.53	214.56
TOTAL	**3,831.92**	**4,662.00**

During the year ended March 31, 2020 and 2019, the Company recorded inventory write-down expenses of ₹**84.50 crores** and ₹42.13 crores, respectively.

Cost of inventories (including cost of purchased products) recognised as expense during the year ended March 31, 2020 and 2019 amounted to ₹**41,458.83 crores** and ₹60,158.63 crores, respectively.

Notes Forming Part of Financial Statements

18. TRADE RECEIVABLES (UNSECURED)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Receivables considered good	1,978.06	3,250.64
Credit impaired receivables	639.75	600.86
	2,617.81	3,851.50
Less : Allowance for Credit impaired receivables	(639.75)	(600.86)
TOTAL	**1,978.06**	**3,250.64**

19. ALLOWANCE FOR TRADE RECEIVABLES, LOANS AND OTHER RECEIVABLES

(₹ in crores)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning	1,484.38	1,322.51
Allowances made during the year *	65.35	170.90
Provision for loans/ intercorporate deposits given to subsidiary/joint venture	23.60	-
Written off	(74.32)	(21.87)
Acquired on purchase of business of a subsidiary Company	-	12.84
Balance at the end	**1,499.01**	**1,484.38**

* Includes ₹**34.44 crores** netted off in revenue (₹42.40 crores for the year ended March 31, 2019)

20. CASH AND CASH EQUIVALENTS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Cash on hand	0.10	0.24
(b) Cheques on hand	4.56	4.78
(c) Balances with banks (refer note below)	1,451.64	286.88
(d) Deposits with banks	689.00	195.50
	2,145.30	**487.40**
Note:		
Includes remittances in transit	1.15	210.59

21. OTHER BANK BALANCES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
With upto 12 months maturity:		
(a) Earmarked balances with banks (refer note below)	212.91	169.21
(b) Bank deposits	1,173.98	650.00
TOTAL	**1,386.89**	**819.21**

Note:

Earmarked balances with banks as at March 31, 2020 of ₹**198.19 crores** (as at March 31, 2019 ₹157.06 crores) is held as security in relation to repayment of borrowings.

Notes Forming Part of Financial Statements

22. EQUITY SHARE CAPITAL

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Authorised:		
(i) **4,00,00,00,000** Ordinary shares of ₹2 each	800.00	800.00
(as at March 31, 2019: 4,00,00,00,000 Ordinary shares of ₹2 each)		
(ii) **1,00 ,00,00,000** 'A' Ordinary shares of ₹2 each	200.00	200.00
(as at March 31, 2019: 1,00 ,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, 2019: 30,00,00,000 shares of ₹100 each)		
TOTAL	**4,000.00**	**4,000.00**
(b) Issued [Note (h) and (i)]		
(i) **3,08,94,66,453** Ordinary shares of ₹2 each	617.89	577.57
(as at March 31, 2019: 2,88,78,43,046 Ordinary shares of ₹2 each)		
(ii) **50,87,36,110** 'A' Ordinary shares of ₹2 each	101.75	101.75
(as at March 31, 2019: 50,87,36,110 'A' Ordinary shares of ₹2 each)		
TOTAL	**719.64**	**679.32**
(c) Subscribed and called up: [Note (h)]		
(i) **3,08,89,73,894** Ordinary shares of ₹2 each	617.79	577.47
(as at March 31, 2019: 2,88,73,48,694 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: 50,85,02,371 'A' Ordinary shares of ₹2 each)		
	719.49	**679.17**
(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, 2019: 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):	719.49	679.17
(f) Forfeited - Ordinary shares	0.05	0.05
TOTAL (e+f)	**719.54**	**679.22**

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

(₹ in crores)

	Year ended March 31, 2020 (No. of shares)	Year ended March 31, 2020 (₹ in crores)	Year ended March 31, 2019 (No. of shares)	Year ended March 31, 2019 (₹ in crores)
(i) Ordinary shares				
Balance as at April 1	2,88,73,48,694	577.47	2,88,73,48,694	577.47
Add: Preferential allotment of shares	20,16,23,407	40.32	-	-
Add: Allotment of shares held in abeyance	1,793	0.00*	-	-
Balance as at March 31	**3,08,89,73,894**	**617.79**	**2,88,73,48,694**	**577.47**
(ii) 'A' Ordinary shares				
Balance as at April 1	50,85,02,371	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**	**50,85,02,371**	**101.70**

*less than ₹ 50,000/-

(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 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 allotment of each Warrant and the balance 75% of the Warrant Price shall be 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). The amount of ₹3,892 crores has been received and is to be utilized for repayment of debt, meeting future funding requirements and other general corporate purposes of the Company and its subsidiaries. The Company has utilised amount of ₹2,762 crores as at March 31, 2020.

Notes Forming Part of Financial Statements

(i) The entitlements to **4,92,559** Ordinary shares of ₹2 each (as at March 31, 2019 : 4,94,352 Ordinary shares of ₹2 each) and **2,33,214** 'A' Ordinary shares of ₹2 each (as at March 31, 2019: 2,33,739 '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, 2020		As at March 31, 2019	
	% of Issued Share Capital	No. of Shares	% of Issued Share Capital	No. of Shares
(i) Ordinary shares :				
(a) Tata Sons Private Limited	39.52%	1,22,07,79,930	34.69%	1,01,91,56,523
(b) Life Insurance Corporation of India	*	*	5.02%	14,73,73,493
(c) Citibank N.A. as Depository	#	32,07,93,365	#	32,36,96,360
(ii) 'A' Ordinary shares :				
(a) Tata Sons Private Limited	5.26%	2,67,22,401	*	*
(b) ICICI Prudential Balanced Advantage Fund	11.03%	5,60,75,659	11.98%	6,09,11,219
(c) Franklin India Smaller Companies Fund	12.84%	6,52,79,915	11.71%	5,95,34,740
(d) Government Of Singapore	5.74%	2,92,11,889	6.51%	3,30,82,933

\# 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 Financial Statements

23. (A) OTHER COMPONENTS OF EQUITY

(a) The movement of Equity instruments through Other Comprehensive Income is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	62.26	16.92
Other comprehensive income/(loss) for the year	(115.72)	55.44
Income tax relating to gain/loss arising on other comprehensive income where applicable	(2.54)	(5.17)
Profit on sale of equity investment reclassified to retained earnings	-	(4.93)
Balance at the end	**(56.00)**	**62.26**

(b) The movement of Hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	(26.40)	(3.14)
Gain/(loss) recognised on cash flow hedges	(201.51)	(40.58)
Income tax relating to gain/loss recognised on cash flow hedges	70.42	14.17
(Gain)/loss reclassified to profit or loss	(17.00)	4.80
Income tax relating to gain/loss reclassified to profit or loss	5.94	(1.65)
Balance at the end	**(168.55)**	**(26.40)**

(c) The movement of Cost of Hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	6.45	12.99
Gain/(loss) recognised on cash flow hedges	(65.77)	9.91
Income tax relating to gain/loss recognised on cash flow hedges	22.98	(3.46)
(Gain)/loss reclassified to profit and loss	(9.91)	(19.86)
Income tax relating to gain/loss reclassified to profit and loss	3.46	6.87
Balance at the end	**(42.79)**	**6.45**

(d) Summary of Other components of equity:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Equity instruments through other comprehensive income	(56.00)	62.26
Hedging reserve	(168.55)	(26.40)
Cost of hedging reserve	(42.79)	6.45
TOTAL	**(267.34)**	**42.31**

(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

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 debenture redemption reserve is required for debenture issued after August 16, 2019.

Notes Forming Part of Financial Statements

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, 2020 and 2019 , 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.

24. LONG-TERM BORROWINGS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Secured:		
(a) Term loans:		
(i) from banks (refer note I (i) (b))	614.93	587.58
(ii) others (refer note I (i) (a))	178.82	163.06
(c) Finance lease obligations	**793.75**	**750.64**
Unsecured:		
(a) Privately placed Non-Convertible Debentures (refer note I (ii))	5,199.04	5,498.22
(b) Term loan from banks		
(i) Buyer's line of credit (at floating interest rate) (refer note I (v))	2,875.00	2,500.00
(ii) External commercial borrowings (ECB) (at floating interest rate) (refer note I (iv))	1,777.91	1,642.27
(c) Senior Notes (refer note I (iii))	4,130.81	3,523.61
	13,982.76	**13,164.10**
TOTAL	**14,776.51**	**13,914.74**

25. SHORT-TERM BORROWINGS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Secured:		
Loans from banks (refer note II (i))	3,334.02	2,110.89
	3,334.02	**2,110.89**
Unsecured:		
(a) Loans from banks (refer note II (i))	1,578.95	240.72
(b) Inter corporate deposits from subsidiaries and associates (refer note II (ii))	137.50	82.25
(c) Commercial paper (refer note II (iii))	1,070.89	1,183.86
	2,787.34	**1,506.83**
TOTAL	**6,121.36**	**3,617.72**

I. Information regarding long-term borrowings

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

(a) The term loan of ₹**587.08 crores** (recorded in books at ₹**161.00 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.

The term loan of ₹**51.36 crores** (recorded in books at ₹**17.81 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.

Notes Forming Part of Financial Statements

(b) Term loan from banks of ₹**614.93 crores** included within Long-term borrowings and ₹**160.68 crores** included within Current maturities of Long-term borrowings in note 27, 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 2019 to September 2023. The loan is secured by first charge over movable fixed assets procured from its loan/jeep project.

(ii) Schedule of repayment and redemption for Non-Convertible Debentures :

(₹ in crores)

Non-Convertible Debentures (NCDs)	Redeemable on	Principal
Unsecured :		
9.77% Non-Convertible Debentures (2024)	September 12, 2024	200.00
9.81% Non-Convertible Debentures (2024)	August 20, 2024	300.00
9.35% Non-Convertible Debentures (2023)	November 10, 2023	400.00
9.60% Non-Convertible Debentures (2022)	October 29, 2022	400.00
7.71% Non-Convertible Debentures (2022)	March 3, 2022	500.00
7.50% NCD due 2022(E27H Series)	June 22, 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% NCD due 2021(E27I Series Tranche 2)	June 29, 2021	500.00
9.73% Non-Convertible Debentures (2020)	October 1, 2020*	400.00
9.70% Non-Convertible Debentures (2020)	June 18, 2020*	150.00
9.75% Non-Convertible Debentures (2020)	May 24, 2020*	100.00
9.90% Non-Convertible Debentures (2020)	May 7, 2020*	150.00
7.28% NCD due 2020(E27I Series Tranche 1)	July 29, 2020*	500.00
9.27% Non-Convertible Debentures (2023)	June 30, 2023	200.00
9.31% Non-Convertible Debentures (2023)	September 29, 2023	200.00
9.54% Non-Convertible Debentures (2024)	June 28, 2024	100.00
8.50% Non-Convertible Debentures (2026)	December 30, 2026	250.00
8.50% Non-Convertible Debentures (2027)	January 29, 2027	250.00
Debt issue cost		(1.01)

(iii) Schedule of repayment of Senior Notes:

(₹ in crores)

	Redeemable on	Currency	Amount (in million)	As at March 31, 2020	As at March 31, 2019
4.625% Senior Notes	April 30, 2020*	USD	262.532	1,986.27	1,804.88
5.750% Senior Notes	October 30, 2024	USD	250	1,876.36	1,718.73
5.875% Senior Notes	May 20, 2025	USD	300	2,254.45	-
				6,117.08	**3,523.61**

* Classified as other financial liabilities- current (refer note 27) being maturity before March 31, 2021

(iv) The external commercial borrowings of **USD 237.47 million** (₹1,777.91 crores) bearing floating interest rate of 3 months LIBOR+128basis points is due for repayment in June 2025.

(v) The buyer's line of credit from banks amounting to ₹**3,975.00 crores** is repayable within a maximum period of seven years from the drawdown dates. All the repayments are due from period ending September 30, 2020 to June 30, 2026. The Buyer's line of credit of ₹**1,100.00 crores** classified under other financial liabilities-current being maturity before March 31, 2021.

II. Information regarding short-term borrowings

(i) Loans, cash credits, overdrafts and buyers line of credit from banks bearing fixed interest rate from 7.90% to 8.53% 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 7.75%

(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 7.01% to 7.54%

III. Collateral

Inventory, trade receivables, other financial assets, property, plant and equipment with a carrying amount of ₹**6,021.69 crores** and ₹4,580.01 crores are pledged as collateral/security against the borrowings as at March 31, 2020 and March 31, 2019, respectively.

Notes Forming Part of Financial Statements

26. OTHER FINANCIAL LIABILITIES – NON-CURRENT

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Derivative financial instruments	240.45	58.43
(b) Interest accrued but not due on borrowings	1.02	-
(c) Liability towards employee separation scheme	75.83	79.10
(d) Option premium payable	412.12	9.88
(e) Others	125.32	33.39
TOTAL	**854.74**	**180.80**

27. OTHER FINANCIAL LIABILITIES – CURRENT

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long-term borrowings (refer note below)	4,546.90	1,098.46
(b) Interest accrued but not due on borrowings	398.72	373.04
(c) Liability for capital expenditure	179.40	198.55
(d) Deposits and retention money	516.94	397.06
(e) Derivative financial instruments	39.03	10.53
(f) Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 not due		
(i) Unpaid dividends	4.57	8.09
(ii) Unpaid matured deposits and interest thereon	0.64	8.01
(iii) Unpaid debentures and interest thereon	0.18	0.18
(g) Liability towards employee separation scheme	13.93	16.73
(h) Option premium payable	91.87	69.60
(i) Liability for factoring sales	178.38	54.09
(j) Others	5.79	-
TOTAL	**5,976.35**	**2,234.34**

Details of Current maturities of long-term borrowings :

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(i) Non Convertible Debentures (Unsecured) (refer note I (ii))	1,299.95	809.98
(ii) Non Convertible Debentures (Secured)	-	200.00
(iii) Loans from Banks (Secured) (refer note I (i) (b))	160.68	88.48
(iv) Senior notes (Unsecured)	1,986.27	-
(v) Buyers Credit (Capex) (Unsecured)	1,100.00	-
TOTAL	**4,546.90**	**1,098.46**

Notes Forming Part of Financial Statements

28. PROVISIONS-NON CURRENT

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Employee benefits obligations	806.04	704.91
(b) Warranty	548.40	573.78
(c) Provision for onerous contract	414.75	-
(d) Annual maintenance contract (AMC)	0.55	2.90
TOTAL	**1,769.74**	**1,281.59**

29. PROVISIONS-CURRENT

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Employee benefits obligations	36.56	34.62
(b) Warranty	989.19	1,038.59
(c) Provision for onerous contract	362.25	51.53
(d) Annual maintenance contract (AMC)	18.75	23.95
	1,406.75	**1,148.69**

Note

Onerous contract, AMC and Warranty provision movement

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
	Onerous contract	AMC	Warranty
Balance at the beginning	51.53	26.85	1,612.37
Provision made during the year	777.00	-	506.62
Provision used during the year	(51.53)	(7.55)	(568.53)
Impact of discounting	-	-	(12.87)
Balance at the end	**777.00**	**19.30**	**1,537.59**
Current	362.25	18.75	989.19
Non-current	414.75	0.55	548.40

Notes Forming Part of Financial Statements

30. INCOME TAXES

The reconciliation of estimated income tax to income tax expense is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(loss) before tax	**(7,127.34)**	**2,398.93**
Income tax expense at tax rates applicable to individual entities	(2,490.61)	838.28
Additional deduction for patent, research and product development cost	(281.75)	(192.72)
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)	(86.60)
Provision for impairment in subsidiary companies/exceptional (others)	134.75	122.70
Undistributed earnings of joint operations	6.26	46.55
Deferred tax assets not recognised as realisation is not probable	2,968.70	268.46
Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(66.52)	(544.02)
Profit on sale of investments in a subsidiary Company and other investments	-	(80.01)
Impact of change in statutory tax rates	(17.31)	-
Others	(7.03)	5.69
Income tax expense reported	**162.29**	**378.33**

Note:

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, 2020.

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**
Net Deferred tax assets / (liabilities)	**(205.86)**	**(129.24)**	**136.51**	**(198.59)**

As at March 31, 2020, unrecognised deferred tax assets amount to **₹2,795.98 crores** and **₹7,399.80 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.

Notes Forming Part of Financial Statements

As at March 31, 2020 unrecognised deferred tax assets expire unutilised based on the year of origination as follows:

March 31,	(₹ in crores)
2021	169.85
2022	741.24
2023	831.70
2024	698.06
2025	2,179.00
Thereafter	2,779.95

Significant components of deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ in crores)

	Opening balance	Recognised in profit and loss	MAT Credit utilised	Recognised in reclassified from OCI	Closing balance
Deferred tax assets:					
Unabsorbed depreciation	2,541.54	(5.42)	-	-	2,536.12
Business loss carry forwards	1,556.58	575.92	-	-	2,132.50
Expenses deductible in future years:					
- provisions, allowances for doubtful receivables and others	610.16	(286.27)	-	-	323.89
Compensated absences and retirement benefits	123.58	11.51	-	23.24	158.33
Minimum alternate tax carry-forward	2.34	-	(1.57)	-	0.77
Intangible assets	6.57	(6.57)	-	-	-
Derivative financial instruments	14.64	(9.36)	-	15.92	21.20
Unrealised profit on inventory	1.58	(0.09)	-	-	1.49
Others	72.68	(8.84)	-	-	63.84
Total deferred tax assets	**4,929.67**	**270.88**	**(1.57)**	**39.16**	**5,238.14**
Deferred tax liabilities:					
Property, plant and equipment	2,579.75	2.24	-	-	2,581.99
Intangible assets	2,364.10	295.07	-	-	2,659.17
Undistributed earnings in joint operations	116.26	35.84*	-	-	152.10
Others	24.17	21.40	-	5.17	50.74
Total deferred tax liabilities	**5,084.28**	**354.55**	**-**	**5.17**	**5,444.00**
Deferred tax liabilities	**(154.61)**	**(83.67)**	**(1.57)**	**33.99**	**(205.86)**

* Net off ₹10.71 crores reversed on dividend distribution by joint operation.

Notes Forming Part of Financial Statements

31. OTHER NON-CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Contract liabilities (note (a) below)	134.42	109.53
(b) Government incentives (note (b) below)	62.93	65.33
(c) Employee Benefit Obligations - Funded	61.31	32.46
(d) Others	10.92	10.92
TOTAL	**269.58**	**218.24**

32. OTHER CURRENT LIABILITIES

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(a)	Contract liabilities (note (a) below)	655.82	953.83
(b)	Statutory dues (GST, VAT, Excise, Service Tax, Octroi etc)	464.47	1,091.92
(c)	Government incentives (note (b) below)	154.46	258.89
(d)	Others	72.88	51.37
	TOTAL	**1,347.63**	**2,356.01**

Note:

(a) Contract liabilities

(₹ in crores)

		For the year ended March 31, 2020	For the year ended March 31, 2019
Opening contract liabilities		1,063.36	1,063.01
Amount recognised in revenue		(902.22)	(757.29)
Amount received in advance during the year		657.25	975.18
Amount refunded to customers		(28.15)	(217.54)
Closing contract liabilities		**790.24**	**1,063.36**
Advances received from customers	Current	551.43	840.40
Deferred revenue	Current	104.39	113.43
	Non-current	134.42	109.53
		790.24	**1,063.36**

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 ₹**148.11 crores** as at March 31, 2020 (₹245.93 crores as at March 31, 2019) 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

33. REVENUE FROM OPERATIONS

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Sale of products (refer note 1 below)		
(i) Vehicles	36,583.83	61,357.95
(ii) Spare parts	4,505.79	4,579.45
(iii) Miscellaneous products	1,927.98	2,386.29
Total Sale of products	**43,017.60**	**68,323.69**
(b) Sale of services	468.16	440.34
(c) Finance revenues	-	0.85
Revenue	**43,485.76**	**68,764.88**
(d) Other operating revenues (refer note 2 below)	442.41	437.88
TOTAL	**43,928.17**	**69,202.76**

Note:

(1) Includes exchange gain/(loss) (net) on hedges reclassified from hedge reserve to statement of profit and loss	0.27	(1.18)
(2) Includes profit on sale of residential properties	91.44	-

34. OTHER INCOME

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest income	483.72	335.87
(b) Dividend income (refer note below)	241.22	1,526.25
(c) Government incentives	588.38	621.37
(d) Profit on sale of investments at FVTPL	70.16	69.27
(e) MTM – Investments measured at FVTPL	(0.43)	1.90
TOTAL	**1,383.05**	**2,554.66**

Note:

Includes :

(a) Dividend from subsidiary companies and associates	221.42	1,516.32
(b) From investment measured at FVTOCI	19.80	15.83
(c) Exchange gain / (loss)	-	(5.90)

Notes Forming Part of Financial Statements

35. EMPLOYEE BENEFITS EXPENSE

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Salaries, wages and bonus	3,653.34	3,620.17
(b)	Contribution to provident fund and other funds	254.90	231.50
(c)	Staff welfare expenses	476.07	421.43
	TOTAL	**4,384.31**	**4,273.10**

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.

	Year ended March 31, 2020	Year ended March 31, 2019
Options outstanding at the beginning of the Year	78,12,427	-
Granted during the year	-	78,12,427
Forfeited/Expired during the year	(5,89,530)	-
Exercised during the year	-	-
Outstanding at the end of the Year	72,22,897	78,12,427
Maximum/Minimum number of shares to be issued for outstanding options (conditional on performance measures)	1,08,34,346/36,11,449	1,17,18,641/39,06,214

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 during the year ended March 31, 2020.

Assumption factor	Estimate	
	Year ended March 31, 2020	Year ended March 31, 2019
Risk free rate	7%-8%	7%-8%
Expected life of option	3-5 years	4-6 years
Expected volatility	33%- 37%	33%-37%

36. FINANCE COSTS

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Interest	1,973.48	1,743.47
	Add: Exchange fluctuation considered as interest cost	56.35	38.10
	Less: Transferred to capital account	(423.76)	(438.79)
		1,606.07	**1,342.78**
(b)	Discounting charges	366.93	450.79
	TOTAL	**1,973.00**	**1,793.57**

Note: The weighted average rate for capitalisation of interest relating to general borrowings was approximately 7.52% and 7.87% for the years ended March 31, 2020 and 2019, respectively.

Notes Forming Part of Financial Statements

37. OTHER EXPENSES

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Processing charges	1,051.13	1,567.89
(b)	Consumption of stores & spare parts	461.37	617.67
(c)	Power and fuel	428.85	598.62
(d)	Freight, transportation, port charges etc.	1,077.20	1,865.62
(e)	Publicity	846.60	736.13
(f)	Warranty expenses ^	538.36	999.47
(g)	Information technology/computer expenses	764.31	714.17
(h)	Allowances made/(reversed) for trade and other receivables (net)	30.91	170.90
(i)	Assets Scrapped/ Written Off	168.04	230.28
(j)	Works operation and other expenses (note below)*	2,353.98	2,179.71
	TOTAL	**7,720.75**	**9,680.46**
* Includes rates and taxes (refer note (d) below)		**369.55**	26.68
^ Net of estimated recovery from suppliers		**(31.74)**	111.75

Note:
Works operation and other expenses include:

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Auditors' Remuneration (excluding GST)		
	(i) Audit Fees	4.86	6.67
	(ii) Audit Fees to auditors for financial statements as per IFRS (including SOX certification)^	4.90	3.59
	(iii) In other Capacities :		
	Tax Audit / Transfer Pricing Audit	0.61	0.53
	Taxation Matters	-	0.17
	(iv) Other Services	1.82*	0.53
	(v) Reimbursement of travelling and out-of-pocket expenses	0.76	0.94
	^ Amount paid to KPMG/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	0.20	0.23
	(ii) Reimbursement of travelling and out-of-pocket expenses	0.06	0.01

(c) Works operation and other expenses for the year March 31, 2020 includes ₹**22.72 crores** (₹22.21 crores for the year March 31, 2019) 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 2019-20 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) 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.

38. AMOUNT TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Capital work in progress	(219.45)	(324.34)
(b)	Intangible asset under development	(690.19)	(607.16)
(c)	Product development/Engineering expenses	(259.82)	(161.61)
	TOTAL	**(1,169.46)**	**(1,093.11)**

Notes Forming Part of Financial Statements

39. EXCEPTIONAL ITEMS

(a) Exceptional amount of ₹**(73.03) crores** and ₹ 180.66 crores during the year ended March 31, 2020 and 2019, respectively are related to write off/(reversal) of provision for impairment (net) of certain capital work-in-progress and intangibles under development.

(b) During the year ended March 31, 2019, the Company has sold investment in TAL Manufacturing Solutions Limited to Tata Advanced Systems Ltd. (TASL).

(c) The Company has entered into an agreement for transfer of its Defence undertaking, which had a value of ₹ 209.27 crores as at December 31, 2017 to Tata Advanced Systems Ltd. (transferee Company), for an upfront consideration of ₹100 crores and a future consideration of 3% of the revenue generated from identified Specialized Defence Projects for upto 15 years from the financial year ending March 31, 2020 subject to a maximum of ₹1,750 crores. The future consideration of 3% of revenue depends on future revenue to be generated from the said projects by the transferee Company. On account of the same, the Company has recognized a provision of ₹109.27 crores, during the quarter ended March 31, 2019, which may get reversed in future once projects start getting executed from FY 2020 onwards. The assets related to defence undertaking are classified as "Held for Sale", pending approvals as they meet the criteria laid out under Ind AS 105.

40. 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, 2020, there are matters and/or disputes pending in appeal amounting to ₹**90.21 crores** (₹58.77 crores as at March 31, 2019).

Customs, Excise Duty and Service Tax

As at March 31, 2020, there are pending litigation for various matters relating to customs, excise duty and service taxes involving demands, including interest and penalties, of ₹**603.87 crores** (₹907.78 crores as at March 31, 2019). 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 ₹20 crores are as follows:

As at March 31, 2020, the Excise Authorities have raised a demand and penalty of ₹**268.27 crores** (₹243.24 crores as at March 31, 2019), 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.

As at March 31, 2020, the Excise Authorities have confirmed demand & penalty totaling to ₹**90.88 crores** (₹90.88 crores as at March 31, 2019) towards vehicles allegedly sold below cost of production with an intention to penetrate the market. The matter is being contested by the Company before Customs, Excise and Service Tax Appellate Tribunal.

Notes Forming Part of Financial Statements

The Excise Authorities had denied the Company's claim of a CENVAT credit of ₹**53.39 crores** as at March 31, 2020 (₹81.51 crores as at March 31, 2019) on various inputs services like authorised service station services, erection, commissioning and installation services, common services etc. claimed by the Company from financial year 2006 to 2017. The matters are being contested by the Company before the Appellate Authorities.

As at March 31, 2020, the Excise Authorities have confirmed the demand and penalty totaling to ₹**50.05 crores** (₹ 92.42 crores as at March 31, 2019) alleging undervaluation of products sold by the Company. The matter is being contested by the Company before appellate authorities.

As at March 31, 2020, demand and penalty totaling to ₹**23.50 crores** (₹23.50 crores as at March 31, 2019) has been confirmed for alleged non-payment of service tax on services like event management services, authorised service station services, heat treatment services etc. The matter is being contested by the Company before appellate authorities.

The Excise Authorities are of the view that the Company had wrongly availed CENVAT credit amounting to ₹**29.00 crores** as at March 31, 2020 (₹29.00 crores as at March 31, 2019) on various input services in relation to setting up of the factory in Singur. The Department was of the contention that since no manufacturing activity had taken place in Singur, the credit cannot be availed. The matter is contested in appeal.

Sales Tax/VAT

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹**914.12 crores** as at March 31, 2020 (₹1,123.47 crores as at March 31, 2019). The details of the demands for more than ₹20 crores are as follows:

The Sales Tax Authorities have raised demand of ₹**207.80 crores** as at March 31, 2020 (₹260.15 crores as at March 31, 2019) 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 ₹**221.77 crores** as at March 31, 2020 (₹487.96 crores as at March 31, 2019). 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.

Sales tax demand aggregating ₹**25.25 crores** as at March 31, 2020 (₹ 80.02 crores as at March 31, 2019) has been raised by Sales Tax Authorities for non submission of Maharashtra Trial Balance. The matter is contested in appeal.

The Sales Tax authorities have raised demand for Check post/ Entry Tax liability at various states amounting to ₹**65.81 crores** as at March 31, 2020 (₹64.14 as at March 31, 2019). The Company is contesting this issue.

The Sales Tax Authorities have raised demand of ₹**148.84 crores** as at March 31, 2020 (₹ Nil as at March 31, 2019) 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.

In case of one of the joint operation, the Sales Tax Authorities have held back the refund of VAT on debit notes raised for Take or Pay arrangements (TOP) totalling to ₹**67.58 crores** (₹51.60 crores as at March 31, 2019). The department is of the view that TOP is not part of sale and hence tax to be paid. The matter is contested in appeal.

Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to ₹**288.17 crores** as at March 31, 2020 (₹232.54 crores as at March 31, 2019). Following are the cases involving more than ₹20 crores:

The municipal authorities in certain states levy octroi duty (a local indirect tax) on goods brought inside the municipal limits at rates based on the classification of goods. Demands aggregating ₹**61.65 crores** as at March 31, 2020 (₹61.65 crores as at March 31, 2019) had been raised demanding higher octroi duties on account of classification disputes relating to components purchased for the manufacture of vehicles and retrospective increase in octroi rates relating to past periods. The dispute relating to classification is presently pending before the Bombay High Court and the other dispute is pending before the Hon'ble Supreme Court of India.

As at March 31, 2020, property tax amounting to ₹**109.14 crores** (₹63.81 crores as at March 31, 2019) has been demanded by the local municipal authorities in respect of vacant land of the Company in the plant in Pimpri (including residential land), Chinchwad and Chikhali. The Company had filed Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against an unfavorable decision of the Bombay High Court. The Hon'ble Supreme Court of India had disposed of the SLP and remanded the matter back to the local municipal corporation for fresh adjudication. After fresh hearing, the municipal authority again passed the same order as it had passed earlier, which the Company has challenged before the Civil Court. The Civil Court has passed an injunction order restraining the municipal authority from taking any action of recovery.

Notes Forming Part of Financial Statements

As at March 31, 2020, Sales tax / VAT amounting to ₹**34.08 crores** (₹ 32.47 crores as at March 31, 2019) has been demanded by local authorities on dealers in respect of spare parts used for carrying out warranty repairs. The dispute is pending before the Hon'ble Supreme Court of India.

As at March 31, 2020, possession tax amounting to ₹**22.23 crores** (₹36.25 crores as at March 31, 2019) have been demanded in respect of motor vehicles in the possession of the manufacturer and the authorisation of trade certificate granted under the Central Motor Vehicle Rules, 1989. The matter is being contested before the Jharkhand High Court at Ranchi.

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.

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature amounting to ₹**1,320.67 crores** as at March 31, 2020 (₹1,929.86 crores as at March 31, 2019), 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 ₹**146.15 crores** as at March 31, 2020, (₹397.81 crores as at March 31, 2019), which are yet to be executed.

The Company has contractual obligation towards Purchase Commitment (net of provisions) for ₹ **1,374.00 crores** as at March 31, 2020.

41. EARNINGS PER SHARE ('EPS')

			Year ended March 31, 2020	Year ended March 31, 2019
(a)	Profit/(loss) after tax	₹ crores	(7,289.63)	2,020.60
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	2,95,23,53,090	2,88,73,48,474
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,85,02,473	50,85,02,371
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	2	2
(e)	Share of profit / (loss) for Ordinary shares for Basic EPS	₹ crores	(6,218.57)	1,713.71
(f)	Share of profit / (loss) for 'A' Ordinary shares for Basic EPS *	₹ crores	(1,071.06)	306.89
(g)	Earnings per Ordinary share (Basic)	₹	(21.06)	5.94
(h)	Earnings per 'A' Ordinary share (Basic)	₹	(21.06)	6.04
(i)	Profit after tax for Diluted EPS	₹ crores	#	2,020.60
(j)	The weighted average number of Ordinary shares for Basic EPS	Nos.	#	2,88,73,48,474
(k)	Add: Adjustment for shares held in abeyance	Nos.	#	4,94,352
(l)	Add: Adjustment for Options relating to warrants	Nos.	#	-
(m)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	#	2,88,78,42,826
(n)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	#	50,85,02,371
(o)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	#	2,33,739
(p)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	#	50,87,36,110
(q)	Share of profit for Ordinary shares for Diluted EPS	₹ crores	#	1,713.63
(r)	Share of profit for 'A' Ordinary shares for Diluted EPS *	₹	#	306.97
(s)	Earnings per Ordinary share (Diluted)	₹	(21.06)	5.94
(t)	Earnings per 'A' Ordinary share (Diluted)	₹	(21.06)	6.04

* '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, 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.

Warrants are considered as dilutive since the exercise price of ordinary shares is less than the average market price during the period. However, since there is a loss for the year ended March 31, 2020, potential warrants are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

Notes Forming Part of Financial Statements

42. 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 24, 25 and 27 (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, 2020	As at March 31, 2019
Equity	18,598.99	22,182.47
Short-term borrowings and current maturities of long-term borrowings	10,668.26	4,719.82
Long-term borrowings	14,776.51	13,919.81
Total borrowings	**25,444.77**	**18,639.63**
Total capital (Debt + Equity)	**44,043.76**	**40,822.10**
Total equity as reported in balance sheet	18,387.65	22,162.52
Hedging reserve	168.55	26.40
Cost of Hedge reserve	42.79	(6.45)
Equity as reported above	**18,598.99**	**22,182.47**

Notes Forming Part of Financial Statements

43. 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.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(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, 2020.

(₹ in crores)

		Cash, and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship	Derivatives in hedging relationship	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	Derivatives in hedging relationship	Other financial liabilities	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

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2019.

(₹ in crores)

	Financial assets	Cash, and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
(a)	Investments - non-current	-	663.38	-	-	-	663.38	663.38
(b)	Investments - current	-	0.91	1,174.46	-	-	1,175.37	1,175.37
(c)	Trade receivables	3,250.64	-	-	-	-	3,250.64	3,250.64
(d)	Cash and cash equivalents	487.40	-	-	-	-	487.40	487.40
(e)	Other bank balances	819.21	-	-	-	-	819.21	819.21
(f)	Loans and advances - non-current	143.13	-	-	-	-	143.13	143.13
(g)	Loans and advances - current	200.08	-	-	-	-	200.08	200.08
(h)	Other financial assets - non-current	633.43	-	-	360.96	-	994.39	994.39
(i)	Other financial assets - current	1,248.64	-	-	2.73	28.31	1,279.68	1,279.68
	TOTAL	**6,782.53**	**664.29**	**1,174.46**	**363.69**	**28.31**	**9,013.28**	**9,013.28**

		Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
	Financial liabilities					
(a)	Long-term borrowings (including Current maturities of long-term borrowings)	-	-	15,021.91	15,021.91	15,030.12
(b)	Short-term borrowings	-	-	3,617.72	3,617.72	3,617.72
(c)	Trade payables	-	-	10,408.83	10,408.83	10,408.83
(d)	Acceptances	-	-	3,093.28	3,093.28	3,093.28
(e)	Other financial liabilities - non-current	0.86	57.57	122.37	180.80	180.80
(f)	Other financial liabilities - current	9.14	1.39	1,125.35	1,135.88	1,135.88
	TOTAL	**10.00**	**58.96**	**33,389.46**	**33,458.42**	**33,466.63**

Notes Forming Part of Financial Statements

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 assets 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, 2020 and 2019.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of 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 immediately 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, 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**

	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	1,445.54	-	393.21	1,838.75
(b) Derivative assets	-	392.00	-	392.00
TOTAL	**1,445.54**	**392.00**	**393.21**	**2,230.75**
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	68.96	-	68.96
TOTAL	**-**	**68.96**	**-**	**68.96**

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, 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**

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	As at March 31, 2019			
	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)	3,544.16	11,485.96	-	15,030.12
(b) Short-term borrowings	-	3,617.72	-	3,617.72
TOTAL	**3,544.16**	**15,103.68**	**-**	**18,647.84**

The 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, 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	
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**

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, 2019:

(₹ 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	
Financial assets						
(a) Derivative financial instruments	392.00	-	392.00	(17.47)	-	374.53
(b) Trade receivables	3,516.06	(265.42)	3,250.64	-	-	3,250.64
(c) Loans and advances-current	209.04	(8.96)	200.08	-	-	200.08
TOTAL	**4,117.10**	**(274.38)**	**3,842.72**	**(17.47)**	**-**	**3,825.25**

Notes Forming Part of Financial Statements

(₹ 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	
Financial liabilities						
(a) Derivative financial instruments	68.96	-	68.96	(17.47)	-	51.49
(b) Trade payables	10,683.21	(274.38)	10,408.83	-	-	10,408.83
TOTAL	**10,752.17**	**(274.38)**	**10,477.79**	**(17.47)**	**-**	**10,460.32**

(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 and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, Euro and GBP against the respective functional currencies of the Company.

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

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

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

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, 2020:

(₹ in crores)

	U.S. dollar	Euro	GBP	ZAR	Others[1]	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

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

Notes Forming Part of Financial Statements

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.

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, 2019:

(₹ in crores)

	U.S. dollar	Euro	GBP	THB	Others[2]	Total
Financial assets	382.70	26.61	96.32	22.64	11.83	540.10
Financial liabilities	6,337.49	270.76	169.38	8.70	36.80	6,823.13

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 ₹54.01 crores and ₹682.31 crores for financial assets and financial liabilities, respectively for the year ended March 31, 2019.

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

(b) Interest rate risk

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

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, 2020 and 2019, financial liability of ₹**6,638.55 crores** and ₹5,176.20 crores, respectively, was 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 ₹**66.39 crores** and ₹51.76 crores for the year ended March 31, 2020 and 2019, respectively.

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

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

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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

(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, 2020 and 2019 was ₹**140.96 crores** and ₹271.07 crores, respectively. A 10% change in equity price as of March 31, 2020 and 2019 would result in an impact of ₹**14.10 crores** and ₹27.11 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.

Notes Forming Part of Financial Statements

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. 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 **₹9,966.54 crores** and ₹8,619.83 crores as at March 31, 2020 and 2019, 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, 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, 2020			As at March 31, 2019		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due	870.05	(3.93)	866.12	1,260.05	(4.76)	1,255.74
(b) Overdue up to 3 months	426.24	(6.11)	420.13	1,274.10	(5.60)	1,268.50
(c) Overdue 3-6 months	206.44	(26.49)	179.95	183.80	(16.00)	167.80
(d) Overdue more than 6 months	1,115.08	(603.22)	511.86	1,133.10	(574.50)	558.60
TOTAL	**2,617.81**	**(639.75)**	**1,978.06**	**3,851.50**	**(600.86)**	**3,250.64**

Trade receivables overdue more than six months include **₹471.35 crores** as at March 31, 2020 (₹513.08 crores as at March 31, 2019) outstanding from state government organisations in India, which are considered recoverable.

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

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot 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 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.

Notes Forming Part of Financial Statements

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**

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2019:

(₹ 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	10,408.83	10,408.83	-	-	-	10,408.83
(b) Acceptances	3,093.28	3,093.28	-	-	-	3,093.28
(c) Borrowings and interest thereon	19,012.67	6,183.66	5,140.86	7,046.68	4,745.97	23,117.17
(d) Other financial liabilities	874.68	752.31	21.41	71.79	56.85	902.36
(e) Derivative liabilities	68.96	10.53	0.86	-	57.57	68.96
TOTAL	**33,458.42**	**20,448.61**	**5,163.13**	**7,118.47**	**4,860.39**	**37,590.60**

(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 interest rate currency 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, 2020	As at March 31, 2019
(a) Foreign currency forward exchange contracts and options	941.36	378.91
(b) Commodity Derivatives	(12.79)	1.70
(c) Interest rate derivatives	(240.45)	(57.57)
TOTAL	**688.12**	**323.04**

The gain due to fluctuation in foreign currency exchange rates on derivative contracts, recognised in the income statement was **₹291.73 crores** and ₹36.84 crores for the years ended March 31, 2020 and 2019, respectively.

The loss on commodity derivative contracts, recognised in the income statement was **₹20.70 crores** and ₹2.46 crores for the years ended March 31, 2020 and 2019, respectively.

Notes Forming Part of Financial Statements

44. 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, 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 Government 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.

Notes Forming Part of Financial Statements

(₹ in crores)

	For the year ended/as at March 31, 2019			
	Commercial Vehicle	Passenger* Vehicle	Corporate/ Unallocable	Total
Revenues:				
External revenue	54,036.54	15,052.30	113.92	69,202.76
Inter-segment/intra-segment revenue	-	-	-	-
TOTAL REVENUES	**54,036.54**	**15,052.30**	**113.92**	**69,202.76**
Segment results before other income (excluding incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax :	4,423.50	(1,396.08)	(349.92)	2,677.50
Reconciliation to Profit before tax:				
Other income (excluding incentives)				1,933.29
Finance costs				(1,793.57)
Foreign exchange loss (net)				(215.22)
Exceptional items gain/(loss) (net)	(175.51)	(118.04)	90.48	(203.07)
Profit before tax				**2,398.93**
Depreciation and amortisation expense	1,533.86	1,409.40	155.38	3,098.64
Capital expenditure	2,047.89	3,191.75	76.36	5,316.00
Segment assets	22,247.03	17,650.27		39,897.30
Reconciliation to total assets:				
Assets classified as held for sale				162.24
Investments in subsidiaries, associates and joint ventures				15,028.62
Other investments				1,838.75
Current and non-current tax assets (net)				715.30
Corporate/Unallocable assets				3,267.42
TOTAL ASSETS				**60,909.63**
Segment liabilities	14,327.47	3,477.23		17,804.70
Reconciliation to total liabilities:				
Borrowings				18,639.63
Current tax liabilities (net)				78.30
Deferred tax liabilities (net)				205.86
Corporate/Unallocable liabilities				2,018.62
TOTAL LIABILITIES				**38,747.11**

* Includes Tata and Fiat brand vehicles.

Information concerning principal geographic areas is as follows:	For the year ended/as at March 31, 2020			For the year ended/as at March 31, 2019		
	Within India	Outside India	Total	Within India	Outside India	Total
Net sales to external customers by geographic area by location of customers	40,452.00	3,476.17	**43,928.17**	63,426.04	5,776.72	**69,202.76**
Non- Current Assets (Property, plant and equipment, right of use assets, intangible assets, other non-current assets and Goodwill) by geographic area	29,659.04	43.74	**29,702.78**	28,654.75	45.28	**28,700.03**

Notes Forming Part of Financial Statements

45. RELATED-PARTY TRANSACTIONS

The Company's related parties principally consist of subsidiaries, joint operations, associates and their subsidiaries, Tata Sons Private Limited, subsidiaries and joint ventures of Tata Sons Private Limited. The Company routinely enters into transactions with these related parties in the ordinary course of business. The Company enters into transactions for sale and purchase of products and services with its related parties.

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
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	-	-	-	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)
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	-	-	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

Notes Forming Part of Financial Statements

The following table summarises related-party transactions and balances for the year ended / as at March 31, 2019:

(₹ in crores)

	Subsidiaries	Joint Arrangements	Associates and its subsidiaries	Tata Sons Pvt. Ltd., its subsidiaries and joint arrangements	Total
Purchase of products	1,347.76	3,943.18	2,350.45	202.47	7,843.86
Sale of products	5,532.96	826.43	325.91	504.53	7,189.83
Services received	1,095.42	-	46.20	244.37	1,385.99
Services rendered	174.10	6.37	14.32	0.53	195.32
Bills discounted	-	-	-	5,493.78	5,493.78
Purchase of property, plant and equipment	11.53	-	13.45	0.79	25.77
Sale of fixed assets (inclusive of taxes)	-	0.43	-	-	0.43
Purchase of business	0.10	-	-	-	0.10
Sale of investments	-	-	-	533.35	533.35
Finance given (including loans and equity)	708.57	5.75	-	-	714.32
Finance taken (including loans and equity)	2,242.50	-	177.00	-	2,419.50
Finance taken, paid back (including loans and equity)	2,331.00	-	210.00	-	2,541.00
Interest (income)/expense, dividend (income)/ paid, net	(1,459.92)	(26.16)	(12.34)	6.62	(1,491.80)
Amounts receivable in respect of loans and interest thereon	637.21	3.75	-	-	640.96
Amounts payable in respect of loans and interest thereon	59.25	-	23.00	0.68	82.93
Trade and other receivables	239.14	3.11	52.03	72.71	366.99
Trade payables	637.84	248.47	304.22	38.53	1,229.06
Acceptances	-	-	-	69.13	69.13
Deposit taken as security	3.31	-	-	-	3.31
Provision for amount receivable (including loans)	639.49	-	-	-	639.49

Details of significant transactions are given below:

Name of Related Party		Nature of relationship	Year ended March 31, 2020	Year ended March 31, 2019
i)	**Bill discounted**			
	Tata Capital	Tata Sons Pvt. Ltd., its subsidiaries and joint arrangements	3,148.52	5,493.78
ii)	**Dividend Income**			
	TML Holding Pte Ltd., Singapore	Subsidiaries	-	1,336.25
iii)	**Sale of investments**			
	Tata Advanced Systems Ltd.	Tata Sons Pvt. Ltd., its subsidiaries and joint arrangements	-	533.35
iv)	**Preferential allotment**			
	Tata Sons Pvt. Ltd.	Parent company	3,891.85	-
v)	**Purchase of fixed assets**			
	TML Business Services Ltd. (formerly known as Concorde Motors India Limited)	Subsidiaries	286.40	-

Notes Forming Part of Financial Statements

Compensation of key management personnel:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Short-term benefits	25.31	36.35
Post-employment benefits*	4.41	0.68
Employees stock option plan	0.62	0.44

The compensation of CEO and Managing Director is ₹**16.48 crores** and ₹26.32 crores for the year ended March 31, 2020 and 2019, respectively. This amount for the year ended March 31, 2020, excludes Performance and Long Term Incentives, which will be accrued post determination and approval by the Nomination and Remuneration Committee. Remuneration for the year ended March 31, 2020 includes ₹**11.82 crores** (₹Nil for the year ended March 31, 2019) of managerial remuneration which is subject to the approval of the Shareholders.

* The Compensation of COO and Executive Director includes ₹2.41 crores for Gratuity, leave encashment and Ex-gratia paid on superannuation.

Refer note 48 for information on transactions with post employment benefit plans.

46. 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, 2020, on a standalone basis.

(₹ in crores)

	Outstanding as at March 31, 2020/ March 31, 2019	Maximum amount outstanding during the year
NAME OF THE COMPANY		
(i) Subsidiaries:		
Tata Motors European Technical Centre Plc., UK	**39.74**	**39.74**
[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 (5.8819% p.a - 7.1358% p.a)	38.46	38.46
Tata Hispano Motors Carrocera S.A.	**547.18**	**547.18**
(Tata Hispano Motors Carrocera S.A. has utilised this loan for meeting its capex requirement and general corporate purposes, which is fully provided)	539.40	539.40
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.	**0.53**	**0.53**
(Tata Precision Industries Pte Ltd. has utilised this loan for general corporate purposes. The interest rate was 12M SIBOR + 3% at prevailing rate)	0.51	0.51
(ii) Joint arrangement:		
JT Special Vehicle (P) Ltd.	**3.75**	**3.75**
(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.	**12.07**	**12.07**
(Inter corporate deposit utilised for working capital finance at the rate of interest of 10%. Effective 1st July 2019, the interest rate was revised to 10.25%)	2.00	2.00

(b) Details of Investments made are given in notes 7, 8, 9 and 10.

Notes Forming Part of Financial Statements

47. 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, 2020	As at March 31, 2019
Subsidiaries			
TML Business Services Ltd. [name changed from Concorde Motors (India) Limited]	India	100.00	100.00
Tata Motors Insurance Broking & Advisory Services Ltd.	India	100.00	100.00
Tata Motors European Technical Centre Plc	UK	100.00	100.00
Tata Technologies Ltd.	India	72.48	72.28
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 (Incorporated with effect from July 17, 2019)	India	100.00	-
Tata Precision Industries Pte Ltd.	Singapore	78.39	78.39
Joint Ventures			
JT Special Vehicle (P) Ltd.	India	50.00	50.00
Associates			
Automobile Corporation of Goa Limited	India	48.98	46.44
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

48. EMPLOYEE BENEFITS

(i) Defined Benefit Plan

Pension and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognised in the financial statements for the pension and the post retirement medical plans in respect of Tata Motors and joint operations:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the Year	1,038.21	898.18	144.23	138.55
Current service cost	68.20	59.49	7.16	6.76
Interest cost	76.95	66.56	10.45	10.33
Remeasurements (gains) / losses				
Actuarial losses arising from changes in demographic assumptions	3.49	0.28	-	-
Actuarial losses arising from changes in financial assumptions	33.36	15.70	8.06	9.91
Actuarial (gains) / losses arising from changes in experience adjustments	26.59	55.64	(4.17)	(14.62)
Transfer in/(out) of liability	(0.61)	6.88	(0.05)	2.30
Benefits paid from plan assets	(64.84)	(59.37)	-	-
Benefits paid directly by employer	(5.52)	(5.54)	(9.25)	(9.00)
Past service cost- plan amendments	-	0.39	-	-
Defined benefit obligation, end of the Year	**1,175.83**	**1,038.21**	**156.43**	**144.23**
Change in plan assets:				
Fair value of plan assets, beginning of the Year	914.61	799.73	-	-
Interest income	72.11	63.23	-	-
Remeasurements losses				
Return on plan assets, (excluding amount included in net Interest expense)	(20.18)	(0.23)	-	-
Employer's contributions	111.43	105.36	-	-
Transfer in/(out) of assets	(0.53)	5.89	-	-
Benefits paid	(64.84)	(59.37)	-	-
Fair value of plan assets, end of the Year	**1,012.60**	**914.61**	**-**	**-**

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Amount recognised in the balance sheet consists of				
Present value of defined benefit obligation	1,175.83	1,038.21	156.43	144.23
Fair value of plan assets	1,012.60	914.61	-	-
Net liability	**(163.23)**	**(123.60)**	**(156.43)**	**(144.23)**
Amounts in the balance sheet:				
Non–current assets	1.17	0.87	-	-
Non–current liabilities	(164.40)	(124.47)	(156.43)	(144.23)
Net liability	**(163.23)**	**(123.60)**	**(156.43)**	**(144.23)**

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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Remeasurements (gains) / losses	150.48	66.86	(41.02)	(44.91)
	150.48	**66.86**	**(41.02)**	**(44.91)**

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

(₹ in crores)

	Pension Benefits	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	1,028.77	905.33
Fair value of plan assets	990.15	894.09

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

(₹ in crores)

	Pension Benefits	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	21.28	19.65
Fair value of plan assets	22.45	20.52

Information for unfunded plans:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	125.78	113.23	156.43	144.23

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

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Service cost	68.20	59.49	7.16	6.76
Net interest cost	4.84	3.33	10.45	10.33
Past service cost- plan amendments	-	0.39	-	-
Net periodic cost	**73.04**	**63.21**	**17.61**	**17.09**

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, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	20.18	0.23	-	-
Actuarial losses arising from changes in demographic assumptions	3.49	0.28	-	-
Actuarial losses arising from changes in financial assumptions	33.36	15.70	8.06	9.91
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	26.59	55.64	(4.17)	(14.62)
Total recognised in other comprehensive income	**83.62**	**71.85**	**3.89**	**(4.71)**
Total recognised in statement of profit and loss and other comprehensive income	**156.66**	**135.06**	**21.50**	**12.38**

Notes Forming Part of Financial Statements

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

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Discount rate	6.10%-6.90%	6.75%-7.70%	6.90%	7.60%
Rate of increase in compensation level of covered employees	5.00% - 10.00%	6.00% - 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, 2020 and 2019 by category are as follows:

	Pension Benefits	
	As at March 31, 2020	As at March 31, 2019
Asset category:		
Cash and cash equivalents	6.5%	7.2%
Debt instruments (quoted)	67.5%	66.4%
Debt instruments (unquoted)	0.6%	0.8%
Equity instruments (quoted)	2.9%	2.9%
Deposits with Insurance companies	22.5%	22.7%
	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, 2020 is **14.0 years** (March 31, 2019 : 14.4 years).

The Company expects to contribute ₹**90.01 crores** to the funded pension plans during the year ended March 31, 2021.

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%	₹ 106.04 crores	₹ 19.70 crores
	Decrease by 1%	₹ 121.94 crores	₹ 19.91 crores
Salary escalation rate	Increase by 1%	₹ 94.64 crores	₹ 19.85 crores
	Decrease by 1%	₹ 85.22 crores	₹ 17.46 crores
Health care cost	Increase by 1%	₹ 20.26 crores	₹ 4.28 crores
	Decrease by 1%	₹ 17.04 crores	₹ 3.53 crores

Notes Forming Part of Financial Statements

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 as at March 31, 2020.

(₹ in crores)

Particulars	Year ended March 31, 2020
Change in benefit obligations:	
Defined benefit obligations at the beginning	3,509.30
Service cost	125.19
Employee contribution	288.36
Acquisitions (credit) / cost	(138.41)
Interest expense	296.54
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	3.89
Benefits paid	(218.88)
Defined benefit obligations at the end	**3,865.99**
Change in plan assets:	
Fair value of plan assets at the beginning	3,520.82
Acquisition Adjustment	(138.41)
Interest income	302.42
Return on plan assets excluding amounts included in interest income	(32.82)
Contributions (employer and employee)	412.01
Benefits paid	(218.88)
Fair value of plan assets at the end	**3,845.14**

Amount recognised in the balance sheet consists of	As at March 31, 2020
Present value of defined benefit obligation	3,865.99
Fair value of plan assets	3,845.14
Effect of asset ceiling	(2.99)
Net liability	**23.84**
Non-Current liability	**23.84**

Total amount recognised in other comprehensive income consists of:	As at March 31, 2020
Remeasurements (gains) / losses	17.81
	17.81

Net periodic cost for Provident Fund consists of following components:	For the year ended March 31, 2020
Service cost	125.19
Net interest cost / (income)	(5.88)
Net periodic cost	**119.31**

Notes Forming Part of Financial Statements

Other changes in plan assets and benefit obligation recognised in other comprehensive income.	**For the year ended March 31, 2020**
Remeasurements	
Return on plan assets, (excluding amount included in net Interest expense)	32.82
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	3.89
Adjustments for limits on net asset	(18.90)
Total recognised in other comprehensive income	**17.81**
Total recognised in statement of profit and loss and other comprehensive income	**137.12**

The assumptions used in determining the present value obligation of the Provident Fund is set out below:

Particulars	**As at March 31, 2020**
Discount rate	6.90%
Expected rate of return on plan assets	8.20% to 8.60%
Remaining term to maturity of portfolio	19.0

The breakup of the plan assets into various categories as at March 31, 2020 is as follows:

Particulars	**As at March 31, 2020**
Central and State government bonds	44.2%
Public sector undertakings and Private sector bonds	34.1%
Others	21.7%
TOTAL	**100.0%**

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations

As at March 31, 2020, the defined benefit obligation would be affected by approximately ₹**158.78 crores** on account of a 0.50% decrease and ₹3.87 crores on account of a 0.50% increase in the expected rate of return on plan assets.

(ii) The Company's contribution to defined contribution plan aggregated to ₹**77.89 crores** and ₹184.80 crores for the years ended March 31, 2020 and 2019, respectively.

Notes Forming Part of Financial Statements

49. 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)

Particulars	As at March 31, 2020	As at March 31, 2019
I. ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property, plant and equipment	16,778.66	16,353.39
(b) Capital work-in-progress	1,626.53	2,018.21
(c) Right of use assets	724.08	-
(d) Other intangible assets	5,284.19	3,731.44
(e) Intangible assets under development	2,738.02	4,119.15
(f) Investments in subsidiaries, joint arrangements and associates	16,839.33	16,427.86
(g) Financial assets		
(i) Investments	548.57	663.38
(ii) Loans and advances	137.93	142.51
(iii) Other financial assets	1,490.38	1,015.44
(h) Non-current tax assets (net)	654.55	660.20
(i) Other non-current assets	1,056.77	1,648.04
	47,879.01	**46,779.62**
(2) CURRENT ASSETS		
(a) Inventories	3,211.11	4,022.41
(b) Investments in subsidiaries and associates (held for sale)	-	257.81
(c) Financial assets		
(i) Investments	885.31	1,102.17
(ii) Trade receivables	1,851.09	2,940.49
(iii) Cash and cash equivalents	1,815.32	416.72
(iv) Bank balances other than (iii) above	1,338.70	763.64
(v) Loans and advances	216.49	161.61
(vi) Other financial assets	1,379.39	1,112.36
(d) Assets classified as held for sale	191.07	162.24
(e) Other current assets	1,241.50	774.25
	12,129.98	**11,713.70**
TOTAL ASSETS	**60,008.99**	**58,493.32**
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	719.54	679.22
(b) Other equity	16,908.03	20,879.27
	17,627.57	**21,558.49**
LIABILITIES		
(1) NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	14,161.58	13,327.16
(ii) Lease liabilities	586.10	2.84
(iii) Other financial liabilities	779.56	180.80
(b) Provisions	1,698.92	1,251.44
(c) Other non-current liabilities	186.11	142.96
	17,412.27	**14,905.20**
(2) CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	6,014.40	3,529.50
(ii) Lease liabilities	82.47	3.42
(iii) Trade payables		
(a) Total outstanding dues of micro and small enterprises	94.57	123.92
(b) Total outstanding dues of creditors other than micro and small enterprises	7,558.54	9,779.59
(iv) Acceptances	2,741.69	3,093.28
(v) Other financial liabilities	5,731.13	2,053.65
(b) Provisions	1,429.44	1,149.31
(c) Current tax liabilities (net)	12.57	55.10
(d) Other current liabilities	1,304.34	2,241.86
	24,969.15	**22,029.63**
TOTAL EQUITY AND LIABILITIES	**60,008.99**	**58,493.32**

Notes Forming Part of Financial Statements

B. Statement of Profit and Loss

(₹ in crores)

	Particulars		Year ended March 31, 2020	Year ended March 31, 2019
	Revenue from operations			
	Revenue		42,524.46	67,209.22
	Other operating revenue		438.57	401.85
I.	Total revenue from operations		42,963.03	67,611.07
II.	Other Income		1,168.59	2,381.45
III.	Total Income (I+II)		**44,131.62**	**69,992.52**
IV.	Expenses			
	(a) Cost of materials consumed		24,758.46	41,843.32
	(b) Purchases of products for sale		6,912.97	8,181.65
	(c) Changes in inventories of finished goods, work-in-progress and products for sale		760.04	118.52
	(d) Employee benefits expense		4,156.75	4,054.14
	(e) Finance costs		1,906.12	1,743.64
	(f) Foreign exchange loss (net)		193.54	180.88
	(g) Depreciation and amortisation expense		3,122.60	2,758.58
	(h) Product development/Engineering expenses		829.58	571.32
	(i) Other expenses		7,455.40	9,302.16
	(j) Amount transferred to capital and other accounts		(1,158.83)	(1,093.54)
	Total Expenses (IV)		**48,936.63**	**67,660.67**
V.	Profit/(loss) before exceptional items and tax (III-IV)		(4,805.01)	2,331.85
VI.	Exceptional items			
	(a) Employee separation cost		0.33	4.23
	(b) Write off/(reversal) of provision/ impairment of capital work-in-progress and intangibles under development (net)		(73.03)	180.66
	(c) Provision for loan given to/investment in subsidiary companies/joint venture		385.62	241.86
	(d) Profit on sale of investment in a subsidiary Company		-	(332.95)
	(e) Provision for impairment of Passenger Vehicle Business		1,418.64	-
	(f) Provision for Onerous Contracts		777.00	-
	(g) Others		-	109.27
VII.	Profit/(loss) before tax (V-VI)		**(7,313.57)**	**2,128.78**
VIII.	Tax expense (net)			
	(a) Current tax (including Minimum Alternate Tax)		7.51	190.96
	(b) Deferred tax		132.90	33.88
	Total tax expense		**140.41**	**224.84**
IX.	Profit/(loss) for the year from continuing operations (VII-VIII)		(7,453.98)	1,903.94
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)		(93.41)	(66.64)
	(b) Equity instruments at fair value through other comprehensive income		(115.72)	55.44
	(ii) Income tax credit relating to items that will not be reclassified to profit or loss		30.10	17.95
	(B) (i) Items that will be reclassified to profit and loss - losses in cash flow hedges		(294.19)	(45.72)
	(ii) Income tax credit relating to items that will be reclassified to profit or loss		102.80	15.92
	Total other comprehensive loss, net of taxes		**(370.42)**	**(23.05)**
XI.	**Total comprehensive income/(loss) for the year (IX+X)**		**(7,824.40)**	**1,880.89**
XII.	**Earnings per equity share (EPS)**			
	(a) Ordinary shares:			
	(i) Basic	₹	(21.54)	5.59
	(ii) Diluted	₹	(21.54)	5.59
	(b) 'A' Ordinary shares:			
	(i) Basic	₹	(21.54)	5.69
	(ii) Diluted	₹	(21.54)	5.69

Notes Forming Part of Financial Statements

C. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR 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 payments reserve	Money received against Share Warrants	Capital redemption reserve	Debenture redemption reserve	Capital reserve (on merger)	Retained earnings		Other components of equity (OCI)			Total other equity
							Undistributable (Ind AS 101)	Distributable	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)	627.03	258.71	62.26	(26.40)	6.45	20,879.27
Loss for the year	-	-	-	-	-	-	-	(7,453.98)	-	-	-	(7,453.98)
Other comprehensive loss for the year	-	-	-	-	-	-	-	(60.77)	(118.26)	(142.15)	(49.24)	(370.42)
Total comprehensive 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

D. STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2019

i) Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2018	**679.22**
Proceeds from issue of shares	-
Balance as at March 31, 2019	**679.22**

ii) Other Equity

(₹ in crores)

Particulars	Securities premium	Share based payments reserve	Capital redemption reserve	Debenture redemption reserve	Capital reserve	Retained earnings		Other components of equity (OCI)			Total other equity
						Undistributable (Ind AS 101)	Distributable	Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2018	**=19,213.93**	**-**	**2.28**	**1,085.94**	**(345.30)**	**627.03**	**(1,606.64)**	**16.92**	**(3.14)**	**12.99**	**19,004.01**
Purchase of business from a subsidiary Company	-	-	-	-	(14.07)	-	-	-	-	-	(14.07)
Profit for the year	-	-	-	-	-	-	1,903.94	-	-	-	1,903.94
Other comprehensive income /(loss) for the year	-	-	-	-	-	-	(43.52)	50.27	(23.26)	(6.54)	(23.05)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,860.42**	**50.27**	**(23.26)**	**(6.54)**	**1,880.89**
Realised gain on investments held at fair value through Other comprehensive income	-	-	-	-	-	-	4.93	(4.93)	-	-	-
Share-based payments	-	8.44	-	-	-	-	-	-	-	-	8.44
Balance as at March 31, 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**

Notes Forming Part of Financial Statements

50. 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)

			As at March 31, 2020	As at March 31, 2019
(a)	Amounts outstanding but not due as at March 31,		87.64	126.96
(b)	Amounts due but unpaid as at March 31,	- Principal	13.92	7.16
(c)	Amounts paid after appointed date during the year	- Principal	87.56	56.06
(d)	Amount of interest accrued and unpaid as at March 31,	- Interest	2.76	3.50
(e)	Amount of estimated interest due and payable for the period from April 1, 2020 to actual date of payment or June 15, 2020 (whichever is earlier)	- Interest	0.14	0.13

ii) Expenditure incurred on Research and Development by Tata Motors Ltd. on standalone basis excluding interest in the joint operations

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Revenue expenditure charged to statement of profit and loss (Product development/ Engineering expenses, exceptional items and works operations & other expenses)	1,067.36	825.06
(b)	Revenue expenditure capitalised to intangibles under development during the year	1,721.73	1,864.41
(c)	Capital expenditure in relation to tangible fixed assets	308.09	275.78
		3,097.18	**2,965.25**

(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

(v) Subsequent to year ended March 31, 2020, Tata Motors Ltd. has issued ₹1,000 crores, 8.80% Secured rated listed redeemable non-convertible debentures due 2023.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

Date: June 15, 2020

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

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 March 31, 2020, 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 March 31, 2020, 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.

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) Impact of COVID-19 pandemic on Going Concern assessment of the Holding Company	
Refer Note 2(e) related to "Going Concern" and Note 2(f)(ix) related to "Estimation of uncertainties relating to the global health pandemic from COVID-19" on the consolidated financial statements The World Health Organisation in February 2020 declared COVID 19 as a pandemic. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Holding Company's manufacturing plants and offices also had to be closed down for a considerable period of time, including after the year end. These lockdowns have a significant impact on the overall economic activity in India and in particular on the automotive industry. Accordingly, the future cash flow projections used to assess going concern are subject to significant estimation uncertainties. In view of the above, we have identified our assessment of the going concern basis of accounting as a key audit matter.	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: • Obtained an understanding of the Holding Company's internal controls over its forecasting process; • Compared the key assumptions adopted by the Holding Company in preparing the forecasted cash flows with our expectations based on actual cashflows of 2019-20 and our understanding of the changes to the Holding Company's business; • Assessed the sensitivities and performed stress testing on the forecasted cash flows; • Examined the Holding Company's funding arrangements and evaluated the financing terms and covenants to assess its ability to renew existing loans and/or obtain additional financing if the need arises; • Assessed the adequacy of the disclosures related to application of the going concern assumption.

2) 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 the impact of political uncertainty, and how those risks might affect the JLR Group's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements.

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 together with the impact on JLR Group's supply chain and consequent production capability.
- The impact of Brexit on JLR Group's supply chain and on the export of goods by not maintaining free and frictionless trade.

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 audit procedures applied by the auditor of the component (JLR Group) included:

- **Funding assessment:** Evaluated JLR Group's financing facilities, including the available terms and covenants associated with these facilities.
- **Key dependency assessment:** Assessed 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.

  The cash flow forecasts incorporate a number of key assumptions, including, the impact of COVID-19 on vehicle sales as a result of the temporary shutdowns of the automotive industry worldwide and the anticipated speed of recovery in industry volumes; delivery on the cost savings initiatives; reduction of inventory levels and the delay of non-essential capital expenditure required for the manufacture of new models.
- **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 level of available financial resources indicated by the JLR Group's financial forecasts taking account of severe but plausible adverse effects that could arise from risks related to key assumptions, both individually and collectively. These sensitivities included significantly depressed sales volumes in key markets compared to those reported in the year ended March 31, 2020; partly reducing the level of cost savings incorporated into the forecasts (including selling, administrative and a number of other cost categories); higher than expected inventory levels and increased tariff as a result of hard Brexit.
- **Sector experience –** The component audit team used their industry specialists to challenge the key assumptions made by the directors in their forecast cash flows.
- **Evaluating directors' intent –** The component audit team evaluated the achievability of the actions the JLR Group's directors consider they would take to improve the position should the risks materialise. They considered the controllability and timing, of the identified mitigating actions, in particular focusing on the deferral of non-essential capital and product development expenditure, further reductions of discretionary marketing spend and warranty goodwill payments.
- **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.

3) The impact of uncertainties due to the United Kingdom (UK) exiting the European Union (EU), reported by the component auditor of JLR Group.	
The UK left the EU on January 31, 2020 and entered an implementation period which is due to operate until December 31, 2020. At that point current trade agreements with the European Union terminate. The UK is entering negotiations over future trading relationships with the EU and a number of other countries. Where new trade agreements are not in place World Trade Organisation (WTO) arrangements will be in force, meaning among other things import and export tariffs, quotas and border inspections, which may cause delivery delays. Different potential outcomes of these trade negotiations could have wide ranging impacts on the JLR Group's operations and the future economic environment in the UK and EU. All audits assess and challenge the reasonableness of estimates, in particular as described in the JLR Group impairment of long-life assets key audit matter below and related disclosures, and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the JLR Group's future prospects and performance. The uncertainty over the UK's future trading relationships with the rest of the world and related economic effects give rise to extreme levels of uncertainty, with the full range of possible effects currently unknown.	The component auditor developed a standardised firm-wide approach to the consideration of the uncertainties arising from the UK's departure from the EU in planning and performing the audit. Their procedures included: • **The component auditor's knowledge of the business:** The component auditor considered the JLR Group's directors' assessment of risk arising from different outcomes to the trade negotiations for JLR Group's business and financial resources compared with their own understanding of the risks. The component auditor considered the directors' plans to take action to mitigate the risks. • **Sensitivity analysis:** When addressing the impairment of long-life assets and going concern and other areas that depend on forecasts, they compared the directors' analysis to their assessment of the full range of reasonably possible scenarios resulting from these uncertainties and, where forecast cash flows are required to be discounted, considered adjustments to discount rates for the level of remaining uncertainty; • **Assessing transparency:** Other than assessing individual disclosures as part of their procedures on JLR Group impairment of long-life assets and JLR Group Going Concern key audit matters, the component auditor considered all of the Brexit related disclosures together, comparing the overall picture against their understanding of the risks. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to the impact of the UK's departure from the EU.
4) Impairment of property, plant and equipment and intangible assets of passenger vehicles cash generating unit.	
The Holding Company holds intangible assets under development and tests its cash generating units ('CGU') for impairment at least annually. The Holding Company has identified its passenger vehicle business unit as a separate cash generating unit ('CGU'). As at March 31, 2020, the Holding Company recognized an impairment loss of ₹1,418.64 crores for this CGU. The carrying value after impairment of the net assets in this CGU is ₹9,120.31 crores. The history of losses in the passenger vehicles CGU, declining sales volumes and the suspension of manufacturing and sales activity due to mandatory lockdowns towards and after year end consequent to the COVID-19 pandemic has led to the impairment test being subject to significant judgements and estimates applied by management. Management believes that no further adjustments are required to these estimates. However, in view of the highly uncertain economic environment impacting the automotive industry, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these financial statements This annual impairment test is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates, capital expenditure and the weighted-average cost of capital (discount rate), to be used to estimate the recoverable amount. (Refer note 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 tested the design, implementation and operating effectiveness of key controls over the assumptions and inputs used in cash flow forecasts and valuation models. **Test of Details:** • Involved independent valuation specialist to assist in evaluating the appropriateness of the valuation models used including evaluating whether the comparable companies considered in the fair value less costs to sell (FVLCS) model are appropriate and whether the discount rate applied in the value in use (VIU) model is appropriate; • Evaluated the appropriateness of the assumptions applied to key inputs such as sales volumes and prices, operating costs, long-term growth rates, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Holding Company and the industry; • Performed sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the impairment loss recognized; and • Evaluated the adequacy of the consolidated financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.

5) Impairment of long-life assets, reported by the component auditor of JLR Group	
The JLR Group holds a significant amount of property, plant and equipment and long-life intangible assets on its balance sheet. Property, plant and equipment and long-life intangible assets are at risk of being impaired as the COVID-19 pandemic resulted in the temporary shutdowns of the automotive industry worldwide. (Refer note 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 cash flow forecasts, including key inputs, by comparing them to the actual results; • **Historical comparisons:** Assessed appropriateness of JLR Group's assumptions used in the cash flow forecasts by comparing those, where appropriate, to historical trends in volumes, variable profit, selling, general and administrative expenses and capital expenditure; • **Benchmarking assumptions:** Assessed appropriateness of the JLR Group's calculated 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 inputs such as sales volumes and cost inflation, to externally derived data. • Compared JLR Group's discount rate and long-term growth rate calculation to external benchmark data and comparative companies' rates and reperformed the discount rate calculation using the Capital Asset Pricing Model with the assistance of their valuation specialists.; • **Sensitivity analysis:** Performed a breakeven analysis on the assumptions noted above. ; • **Comparing valuations:** Assessed the JLR Group's reconciliation between the estimated market capitalization of the JLR Group to the overall market capitalization of the Holding Company and compared to the estimated recoverable amount of the cash generating unit.; • **Assessing transparency:** Assessed the adequacy of JLR Group's disclosures in the financial statements and ensured that the disclosure reflects the impact of reasonably possible downside assumptions on the headroom in the recoverable amount compared to the cash generating unit carrying value.
6) Recognition of product development cost as an intangible asset by the Holding Company	
Product development costs incurred on new vehicle platforms, engines, transaxles and new vehicles are recognised as intangible assets only when: • technical feasibility has been established, • the Holding Company has committed technical and commercial resources to complete the development and use the intangible asset and • it is probable the asset will generate future economic benefits. The costs capitalised during the year include the cost of technical know-how expenses, materials, direct labour, inspecting and testing charges, designing cost, software expenses and directly attributable overhead expenditure incurred up to the date the intangible asset is available for use including interest . The recognition of product development cost as an intangible asset is considered to be a key audit matter given the assessment of the recognition criteria set out in Ind AS 38 'Intangible Assets' is made at an early stage of product development and there are inherent challenges with accurately predicting the future economic benefit, which must be assessed as 'probable' for capitalisation to commence. There is a risk therefore that development cost may get capitalised where the relevant criteria has not been met. Further, the decline in volumes in the current year and the suspension of manufacturing activity due to mandatory lockdowns towards and after year end consequent to the COVID-19 pandemic has significantly increased the estimation uncertainties. (Refer note 6 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:** • Tested the Holding Company's design, implementation and operating effectiveness of controls to comply with the recognition criteria set out in Ind AS 38 'Intangible Assets' for projects initiated during the year. **Test of details:** • Evaluated the inputs used for volumes, sales, margins and capital expenditure in the assessment of future economic benefit; • Evaluated historical forecasting accuracy for these inputs by comparing the historical forecasts to the actual results for similar projects; • Performed a sensitivity analysis of changes in the forecasts considering the impact of historical forecasting accuracy; • For selected projects, examined approvals of the project oversight committee to determine the expected future economic benefits and technical feasibility of the project. • For selected projects, compared the inputs used in the forecasting of future economic benefit to source documents.

7) Capitalisation of product engineering costs, reported by the component auditor of JLR Group	
Subjective judgement 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, Product 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 ₹1,094.35 crores. (Refer note 6 of the consolidated financial statements)	The audit procedures applied by the auditor of the component (JLR Group) included: • **Control operation:** Tested the 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 whether 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 to assess previous economic viability assumptions against the actual outturn; • **Assessing transparency:** Assessed the adequacy of the JLR Group's disclosures in respect of key judgements made relating to the nature of costs capitalised and the point at which capitalisation commences.
8) Valuation of defined benefit plan obligations, as reported by the component auditor of JLR Group	
Subjective valuation 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. (Refer note 38 of the consolidated financial statements)	The audit procedures applied by the auditor of the component (JLR Group) included: • **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.

9) Impairment of loans to customers of the Group's vehicle financing business under its subsidiary TMF Holdings Limited

Subjective estimate and significant management judgment	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:
Recognition and measurement of impairment of loans involve significant management judgement and estimate. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) model. The Group's impairment allowance for this business is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. **The most significant estimates / judgements are used in the following:** – Segmentation of loan book – Determination of exposure at default – Loan staging criteria – Calculation of probability of default / loss given default – Consideration of probability weighted scenarios and forward looking macro-economic factors 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. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed. Impact of COVID-19 We have identified the impact of and uncertainty related to the COVID-19 pandemic as a key element for recognition and measurement of impairment of loans on account of: • Short and long term macroeconomic effect on businesses in the country and globally and its consequential first order and cascading negative impact on revenue and employment generation opportunities; • impact of the pandemic on the Group's customers in this business and their ability to repay dues; and • application of regulatory package announced by the Reserve Bank of India (RBI). Management has conducted a qualitative assessment of significant increase in credit risk (SICR) of the loan portfolio with respect to the moratorium benefit to borrowers prescribed by the RBI and considered updated macroeconomic scenarios and used management overlays to reflect potential impact of COVID-19 on expected credit losses on its loan portfolio. Refer Note 2(f)(ix) of the consolidated financial statements.	**Test of controls** • Evaluated the appropriateness of the impairment principles used by management based on the requirements of Ind AS 109, their business understanding and industry practice. • Tested the controls over 'Governance Framework' in line with the RBI guidance. • Assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the allowance for loan losses. • Understood management's revised processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 regulatory package. • Evaluated management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19. • Using modelling specialist, tested the model methodology and reasonableness of assumptions used, including management overlays. • Tested the review controls over measurement of impairment allowances and disclosures in financial statements. **Substantive tests** • Assessed the appropriateness of management rationale for determination of criteria for SICR considering both - adverse effects of COVID-19 and mitigants in the form of the RBI / Government financial relief package. • Assessed the appropriateness of changes made in macroeconomic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. • Evaluated through independent check and enquiries the reasonableness of management's assessment of grading of severity of impact of COVID-19 on segments of its loan portfolio and the resultant impairment provision computed. • Focussed on appropriate application of accounting principles, assessing completeness and accuracy of the data and reasonableness of assumptions used in the model. • Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • Model calculations testing through re-performance, where possible. • The appropriateness of management's judgments and estimates was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets and collateral.

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 ₹6,876.67 crores as at March 31, 2020, total revenue (before consolidation adjustments) of ₹5,610.74 crores and net profit after tax (before consolidation adjustments) of ₹286.94 crores and net cash inflows (before consolidation adjustments) amounting to ₹509.62 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 78 step down subsidiaries whose financial statements / financial information reflect total assets (before consolidation adjustments) of ₹2,35,736.73 crores as at March 31, 2020, total revenue (before consolidation adjustments) of ₹2,10,946.66 crores and total net loss after tax (before consolidation adjustments) (net) of ₹3,335.24 crores and net cash outflows (before consolidation adjustments) (net) of ₹5,149.62 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 ₹929.53 crores for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of five associates and three 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 78 step down subsidiaries listed above, the financial statements / financial information of the two subsidiaries and six 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 subsidiaries 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 subsidiaries 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 four subsidiaries and six step-down subsidiaries, whose financial statements / financial information reflect total assets (before consolidation adjustments) of ₹709.22 crores as at March 31, 2020, total revenues (before consolidation adjustments) of ₹998.30 crores and total net loss after tax (before consolidation adjustments) (net) of ₹253.84 crores and net cash outflows (before consolidation adjustments) (net) amounting to ₹99.48 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 profit (and other comprehensive income) (net) of ₹27.18 crores for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of four associates, 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 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 and associates, 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 March 31, 2020 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 associates companies, joint ventures and joint operations incorporated in India is disqualified as on March 31, 2020 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 March 31, 2020 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(h) 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 March 31, 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2020.

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 March 31, 2020 according to which the managerial remuneration paid to the CEO and Managing Director of the Holding Company amounting to ₹16.48 crores for the financial year exceeds the prescribed limits under Section 197 read with Schedule V to the Act by ₹11.82 crores. This amount excludes Performance and Long term Incentives, which will be accrued post determination and approval by the Nomination and Remuneration Committee of the Holding Company, and such amounts will also exceed the prescribed limits. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Holding Company proposes to obtain in the forthcoming Annual General Meeting.

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

Yezdi Nagporewalla
Partner
Membership No: 049265
UDIN:20049265AAAAAQ4257

Place: Mumbai
Date: June 15, 2020

Annexure A to the Independent Auditors' Report 31 March 2020

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)

Qualified Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, 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, except for the possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria, the Holding Company and such companies incorporated in India which are its subsidiary companies, its joint operations, its associates and its joint ventures, have, maintained, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note').

We have considered the material weakness identified and reported below in determining the nature, timing, and the extent of audit tests applied in our audit of the 31 March 2020 consolidated financial statements of the Company, and the material weakness does not affect our opinion on the consolidated financial statements of the Company.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the Holding Company's internal financial controls with reference to financial statements as at March 31, 2020 related to preservation of documentary evidence of the input/output parameters used in extracting system generated reports, to validate the controls over the completeness and accuracy of information used in various process level and management review controls.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

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 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 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 joint operation, associates and joint ventures in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified 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 control 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 control 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 consolidated 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 joint operation, one associate and two joint ventures, 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

Yezdi Nagporewalla
Partner
Membership No: 049265
UDIN:20049265AAAAAQ4257

Place: Mumbai
Date: June 15, 2020

Consolidated Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	77,882.83	72,619.86
(b) Capital work-in-progress		8,599.56	8,538.17
(c) Right of use assets	4	6,275.34	-
(d) Goodwill	5	777.06	747.87
(e) Other intangible assets	6 (a)	42,171.91	37,866.74
(f) Intangible assets under development	6 (b)	27,022.73	23,345.67
(g) Investment in equity accounted investees	9	4,418.89	4,743.38
(h) Financial assets:			
(i) Other investments	10	1,028.05	1,497.51
(ii) Finance receivables	18	16,833.77	22,073.17
(iii) Loans and advances	12	782.78	407.42
(iv) Other financial assets	13	4,749.57	2,809.18
(i) Deferred tax assets (net)	22	5,457.90	5,151.11
(j) Non-current tax assets (net)		1,152.05	1,024.56
(k) Other non-current assets	20	5,381.57	2,938.73
		2,02,534.01	**1,83,763.37**
(2) CURRENT ASSETS			
(a) Inventories	14	37,456.88	39,013.73
(b) Investment in equity accounted investees (held for sale)	9 (c)	-	591.50
(c) Financial assets:			
(i) Other investments	11	10,861.54	8,938.33
(ii) Trade receivables	15	11,172.69	18,996.17
(iii) Cash and cash equivalents	16	18,467.80	21,559.80
(iv) Bank balances other than (iii) above	17	15,259.17	11,089.02
(v) Finance receivables	18	14,245.30	11,551.52
(vi) Loans and advances	12	935.25	1,268.70
(vii) Other financial assets	13	4,586.48	3,213.56
(d) Current tax assets (net)		142.80	184.37
(e) Assets classified as held-for-sale	47 (g)	194.43	162.24
(f) Other current assets	21	6,264.91	6,862.22
		1,19,587.25	**1,23,431.16**
TOTAL ASSETS		**3,22,121.26**	**3,07,194.53**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	23	719.54	679.22
(b) Other equity	24	62,358.99	59,500.34
Equity attributable to owners of Tata Motors Ltd.		**63,078.53**	**60,179.56**
Non-controlling interests		813.56	523.06
		63,892.09	**60,702.62**
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities:			
(i) Borrowings	26	83,315.62	70,817.50
(ii) Lease liabilities		5,162.94	156.17
(iii) Other financial liabilities	28	3,858.48	2,792.71
(b) Provisions	30	14,736.69	11,854.85
(c) Deferred tax liabilities (net)	22	1,941.87	1,491.04
(d) Other non-current liabilities	31	8,759.52	13,922.21
		1,17,775.12	**1,01,034.48**
(2) CURRENT LIABILITIES			
(a) Financial liabilities:			
(i) Borrowings	27	16,362.53	20,150.26
(ii) Lease liabilities		814.18	17.30
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises		109.75	130.69
(b) Total outstanding dues of creditors other than micro and small enterprises		63,517.13	68,382.84
(iv) Acceptances		2,771.33	3,177.14
(v) Other financial liabilities	29	36,544.00	32,838.35
(b) Provisions	30	10,329.04	10,196.75
(c) Current tax liabilities (net)		1,040.14	1,017.64
(d) Other current liabilities	32	8,965.95	9,546.46
		1,40,454.05	**1,45,457.43**
TOTAL EQUITY AND LIABILITIES		**3,22,121.26**	**3,07,194.53**

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

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

Date: June 15, 2020

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

Consolidated Statement of Profit and Loss

(₹ in crores)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from operations	33		
(a) Revenue		2,58,594.36	2,99,190.59
(b) Other Operating Revenues		2,473.61	2,747.81
Total revenue from operations		**2,61,067.97**	**3,01,938.40**
II. Other income (includes Government grants)	34	2,973.15	2,965.31
III. Total Income (I+II)		**2,64,041.12**	**3,04,903.71**
IV. Expenses			
(a) Cost of materials consumed			
(i) Cost of materials consumed		1,52,968.74	1,82,254.45
(ii) Basis adjustment on hedge accounted derivatives		(297.27)	(1,245.37)
(b) Purchase of products for sale		12,228.35	13,258.83
(c) Changes in inventories of finished goods, work-in-progress and products for sale		2,231.19	2,053.28
(d) Employee benefits expense	35	30,438.60	33,243.87
(e) Finance costs	36	7,243.33	5,758.60
(f) Foreign exchange loss (net)		1,738.74	905.91
(g) Depreciation and amortisation expense		21,425.43	23,590.63
(h) Product development/Engineering expenses		4,188.49	4,224.57
(i) Other expenses	37	57,087.46	62,238.12
(j) Amount transferred to capital and other account		(17,503.40)	(19,659.59)
Total Expenses (IV)		**2,71,749.66**	**3,06,623.30**
V. Profit/ (Loss) before exceptional items and tax (III-IV)		(7,708.54)	(1,719.59)
VI. Exceptional Items			
(a) Defined benefit pension plan amendment past service cost		-	147.93
(b) Employee separation cost		436.14	1,371.45
(c) Provision/write off/(reversal)(net) of impairment of capital work-in-progress and intangibles under development (net)	47 (c)	(73.04)	180.97
(d) Provision for impairment of Passenger Vehicle Business	8 (a)	1,418.64	-
(e) Provision for Onerous Contracts	8 (b)	777.00	-
(f) Provision/(reversal) for cost of closure of operation of a subsidary		(65.62)	381.01
(g) Provision for impairment in Jaguar Land Rover	7	-	27,837.91
(h) Provision for impairment in subsidiaries	47 (b)	353.20	-
(i) Profit on sale of investment in a subsidiary Company		-	(376.98)
(j) Provision for loan given to a Joint venture		25.12	-
(k) Others		-	109.27
VII. Profit/(Loss) before tax (V-VI)		**(10,579.98)**	**(31,371.15)**
VIII. Tax expense/(credit) (net):	22		
(a) Current tax (including Minimum Alternate Tax)		1,893.05	2,225.23
(b) Deferred tax		(1,497.80)	(4,662.68)
Total tax expense/(credit) (net)		**395.25**	**(2,437.45)**
IX. Profit/(loss) for the year from continuing operations (VII-VIII)		(10,975.23)	(28,933.70)
X. Share of profit/(loss) of joint ventures and associates (net)	9	(1,000.00)	209.50
XI. Profit/(loss) for the year (IX+X)		**(11,975.23)**	**(28,724.20)**
Attributable to:			
(a) Shareholders of the Company		(12,070.85)	(28,826.23)
(b) Non-controlling interests		95.62	102.03
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)		8,803.29	(2,561.26)
(b) Equity instruments at fair value through other comprehensive income (net)		(132.99)	35.60
(c) Share of other comprehensive income in equity accounted investees (net)		(2.48)	11.15
(d) Gains and (losses) in cash flow hedges of forecast inventory purchases		695.39	(1,746.24)
(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		(1,505.43)	697.41
(B) (i) Items that will be reclassified to profit or loss:			
(a) Exchange differences in translating the financial statements of foreign operations		2,233.22	(2,010.22)
(b) Gains and (losses) in cash flow hedges		1,455.31	52.82
(c) Gains and (losses) on finance receivables held at fair value through other comprehensive income (net)		136.24	-
(d) Share of other comprehensive income in equity accounted investees (net)		102.61	(58.61)
(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss		(280.69)	3.58
Total other comprehensive income/(loss) for the year (net of tax)		**11,504.47**	**(5,575.77)**
Attributable to:			
(a) Shareholders of the Company		11,491.97	(5,575.50)
(b) Non-controlling interests		12.50	(0.27)
XIII. Total comprehensive income/(loss) for the year (net of tax) (XI+XII)		**(470.76)**	**(34,299.97)**
Attributable to:			
(a) Shareholders of the Company		(578.88)	(34,401.73)
(b) Non-controlling interests		108.12	101.76
XIV. Earnings per equity share (EPS)	45		
(a) Ordinary shares (face value of ₹2 each):			
(i) Basic EPS	₹	(34.88)	(84.89)
(ii) Diluted EPS	₹	(34.88)	(84.89)
(b) 'A' Ordinary shares (face value of ₹2 each):			
(i) Basic EPS	₹	(34.88)	(84.89)
(ii) Diluted EPS	₹	(34.88)	(84.89)

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

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai

Date: June 15, 2020

Consolidated Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities:		
Profit/(Loss) for the year	**(11,975.23)**	**(28,724.20)**
Adjustments for:		
Depreciation and amortisation expense	21,425.43	23,590.63
Allowances for finance receivables	660.21	320.24
Allowances for trade and other receivables	137.03	214.19
Inventory write-down	351.14	608.63
Provision/(reversal) for costs of closure of operations of a subsidiary Company	(65.62)	381.01
Provision for impairment in Jaguar Land Rover	-	27,837.91
Provision for impairment in subsidiaries	353.20	-
Provision for impairment of Passenger Vehicle Business	1,418.64	-
Provision for Onerous Contracts	777.00	-
Defined benefit pension plan amendment past service cost	-	147.93
Employee separation cost	409.78	1,367.22
Accrual for Share-based payments	4.70	8.44
Exceptional items- Others	-	109.27
(Gain) /Loss on Marked-to-market investments measured at fair value through profit or loss	389.05	(238.54)
(Profit) /Loss on sale of assets (including assets scrapped/written off) (net)	316.19	1,106.56
Profit on sale of investments (net)	(187.34)	(128.61)
Profit on sale of investment in a subsidiary	-	(376.98)
Provision for loan given to a Joint ventures	25.12	-
Gain on fair value of below market interest loans	-	(13.37)
Share of (profit)/loss of joint ventures and associates (net)	1,000.00	(209.50)
Tax expense /(Credit) (net)	395.25	(2,437.45)
Finance costs	7,243.33	5,758.60
Interest income	(1,170.12)	(786.46)
Dividend income	(21.13)	(17.28)
Foreign exchange loss (net)	1,865.85	252.63
Cash flows from operating activities before changes in following assets and liabilities	**23,352.48**	**28,770.87**
Finance receivables	2,020.77	(10,063.79)
Trade receivables	7,928.93	954.70
Loans and advances and other financial assets	64.53	230.13
Other current and non-current assets	(2,830.89)	294.88
Inventories	2,325.50	2,068.64
Trade payables and acceptances	(8,084.81)	(4,692.13)
Other current and non-current liabilities	(6,450.14)	4,365.55
Other financial liabilities	272.74	(30.01)
Provisions	9,818.77	(348.66)
Cash generated from operations	**28,417.88**	**21,550.18**
Income tax paid (net)	(1,784.94)	(2,659.43)
Net cash from operating activities	**26,632.94**	**18,890.75**
Cash flows from investing activities:		
Payments for property, plant and equipment	(14,319.17)	(17,419.55)
Payments for other intangible assets	(15,382.86)	(17,883.97)
Proceeds from sale of property, plant and equipment	171.48	67.23
Investments in Mutual Fund (purchased)/sold (net)	(1,339.29)	5,639.02
Acquisition of subsidiary Company	(27.04)	-
Investment in equity accounted investees	(606.40)	(9.31)
Investments - others	(99.41)	(130.01)
Loans given to others	-	(3.42)
Proceeds from loans given to others	3.42	-
Loans given to joint venture	(1.70)	(3.75)
Proceeds from sale of investments in a subsidiary Company	-	532.96
Proceeds from sale of investments in other companies	21.45	5.18
Interest received	1,104.48	760.52
Dividend received	21.14	17.28
Dividend received from equity accounted investees	622.44	214.98
Deposits with financial institution	(1,000.00)	(500.03)
Realisation of deposit with financial institution	750.00	-
Deposits/restricted deposits with banks	(40,676.65)	(24,331.07)
Realisation of deposits/restricted deposits with banks	36,602.33	33,342.59

Consolidated Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(Increase) / decrease in short term Inter-corporate deposits	(14.44)	(1.98)
Payments for acquisition of minority stake of subsidiary	-	(7.76)
Net cash used in investing activities	**(34,170.22)**	**(19,711.09)**
Cash flows from financing activities:		
Proceeds from issue of shares and warrants (net of issue expenses)	3,888.77	-
Proceeds from long-term borrowings	28,986.21	26,101.86
Repayment of long-term borrowings	(17,000.52)	(13,345.89)
Proceeds from Option settlement of long term borrowings	190.90	-
Proceeds from short-term borrowings	10,707.30	20,112.46
Repayment of short-term borrowings	(12,852.93)	(21,852.13)
Net change in other short-term borrowings (with maturity up to three months)	(1,587.12)	4,913.90
Repayment of lease liability (including interest)	(1,345.61)	-
Dividend paid to non-controlling interests Shareholders of subsidiaries (including dividend distribution tax)	(56.84)	(94.74)
Acquisition of minority	(22.15)	-
Interest paid [including discounting charges paid ₹**968.85 crores** (March 31, 2019 ₹1,201.20 crores)]	(7,518.40)	(7,005.09)
Net cash from financing activities	**3,389.61**	**8,830.37**
Net increase/(decrease) in cash and cash equivalents	(4,147.67)	8,010.03
Cash and cash equivalents as at April 1, (opening balance)	21,559.80	14,716.75
Reversal of/(classified as) held for sale	-	243.94
Effect of foreign exchange on cash and cash equivalents	1,055.67	(1,410.92)
Cash and cash equivalents as at March 31, (closing balance)	**18,467.80**	**21,559.80**
Non-cash transactions:		
Liability towards property, plant and equipment and intangible assets purchased on credit/deferred credit	6,626.78	7,286.32
Increase/(decrease) in liabilities arising from financing activities on account of non-cash transactions:		
Exchange differences	4,641.70	1,120.15
Amortisation of prepaid discounting charges	108.30	158.19

See accompanying notes to the consolidated financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

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Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

Date: June 15, 2020

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

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

A. 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**

B. OTHER EQUITY

(₹ in crores)

Particulars	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
Balance as at March 31, 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 the consolidated financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai

Date: June 15, 2020

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2018	**679.22**
Proceeds from issue of shares	-
Balance as at March 31, 2019	**679.22**

B. OTHER EQUITY

(₹ in crores)

Particulars	Reserves									Other components of equity						
	Securities Premium	Share-based payments reserve	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Capital Reserve	Retained earnings	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, 2018	**18,891.93**	**-**	**2.28**	**1,085.94**	**200.74**	**379.43**	**44.06**	**1,164.20**	**71,818.12**	**22.82**	**(3,626.04)**	**143.98**	**4,621.23**	**94,748.69**	**525.06**	**95,273.75**
Effect of transition to Ind AS 115	-	-	-	-	-	-	-	-	(41.80)	-	-	-	-	(41.80)	-	(41.80)
Profit/(loss) for the year	-	-	-	-	-	-	-	-	(28,826.23)	-	-	-	-	(28,826.23)	102.03	(28,724.20)
Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	-	(2,174.01)	44.19	(1,150.98)	(225.86)	(2,068.84)	(5,575.50)	(0.27)	(5,575.77)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(31,000.24)**	**44.19**	**(1,150.98)**	**(225.86)**	**(2,068.84)**	**(34,401.73)**	**101.76**	**(34,299.97)**
Amounts recognised in inventory	-	-	-	-	-	-	-	-	-	-	(825.60)	11.08	-	(814.52)	-	(814.52)
Acquisition of minority	-	-	-	-	-	-	-	-	1.26	-	-	-	-	1.26	(9.02)	(7.76)
Realised gain on investments held at fair value through Other comprehensive income	-	-	-	-	-	-	-	-	4.93	(4.93)	-	-	-	-	-	-
Dividend paid (including dividend tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(94.74)	(94.74)
Share-based payments	-	8.44	-	-	-	-	-	-	-	-	-	-	-	8.44	-	8.44
Transfer (from)/to retained earnings	-	-	-	-	-	61.40	1.59	-	(62.99)	-	-	-	-	-	-	-
Balance as at March 31, 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**

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

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai

Date: June 15, 2020

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, 2020, Tata Sons Private Limited together with its subsidiaries, owns 42.32% of the Ordinary shares and 5.35% 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 June 15, 2020.

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 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 over the investee. 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 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 under Ind-AS 109 Financial Instruments: Recognition and Measurement 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 in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control those policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. 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 in which the investee becomes an associate or a joint venture and are recognised initially at cost. The Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Company's share of profits or losses and equity movements of equity accounted investees, 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 investee, the carrying amount of that interest (including any long-term investments 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 an obligation 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.

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 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

These financial statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the outbreak of COVID-19, as explained in Note (f) (ix), assessed the cash flow projections and available liquidity for a period of twenty four months from the date of these financial statements. Based on this evaluation, management believes that the Company will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these financial statements based on the following:

i) As at March 31, 2020, the Company reviewed its business and operations to take into consideration the estimated impacts and effects of the COVID-19 pandemic, including the estimated impact on the macroeconomic environment, the market outlook and the Company's operations. Expected future cash flows from operating activities and capital expenditure is based on the undermentioned key assumptions in the business projections:

- Revenues based on latest total industry forecasts/estimates.

  Indian automobile industry volume forecast of about 2.78 million units and 3.18 million units for the financial year ending March 31, 2021 and 2022, representing decreases of about 21% and 9%, respectively compared to year ended March 31, 2020 industry volumes of about 3.50 million units. A decrease in the Company volumes is somewhat less for the year ending March 31, 2021 and 2022, compared to the industry assumptions referenced.

- Reduction in capital expenditure considering the macroeconomic environment by suspending certain prog. Estimated capital expenditure for the year ending March 31, 2021 is ₹1,500 crores for the Company.

- Working capital cash inflows due to lower levels of inventory and trade receivables along with increase in acceptances with more suppliers/vendors opting for the same resulting in a net cash inflow of ₹1,500 crores in the year ending March 31, 2021 as compared to year ended March 31, 2020

ii) Available credit facilities

- Long term borrowings subsequent to March 31, 2020 raised of ₹1,000 crores (Note 47(i)) and borrowings agreed with lenders of ₹3,000 crores.

- Various undrawn limits available with the Company amounting to ₹4,065 crores, under Revolving credit facility and limits with Consortium banks as at March 31, 2020.

- Exercise of options by Tata Sons Private Limited (Note 23)

Notes Forming Part of Consolidated Financial Statements

Based on the above factors, Management has concluded that the 'going concern' assumption is appropriate. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a Going Concern.

Going concern for Jaguar Land Rover business

Jaguar Land Rover business (JLR) has adopted Going concern basis following a rigorous assessment of the financial position and forecasts of the JLR through to September 30, 2021. In particular, careful consideration has been given to the impact of COVID-19, in recognition of the impact it has had on the global economy and automotive industry. The impact has been significant, requiring temporary plant and retailer shutdowns, thereby impacting production and sales, and creating substantial uncertainty over the timeframe for economies and the automotive industry to recover.

Liquidity and funding

JLR ended the financial year March 31, 2020, with substantial liquidity of GBP 5.6 billion (₹52,379.38 crores), including GBP 3.7 billion (₹34,607.80 crores) of cash and other highly liquid investments and a GBP 1.9 billion (₹17,771.57 crores) undrawn revolving credit facility. Net debt was GBP 2.2 billion (₹20,577.61 crores) after GBP 5.9 billion (₹55,185.41 crores) of gross debt and net assets stood at GBP 6.6 billion (₹61,732.84 crores).

The GBP 5.9 billion (₹55,185.41 crores) of gross debt consists mainly of long-dated bonds (face value GBP 3.8 billion (₹35,543.15 crores) outstanding as at March 31, 2020) with various maturities out to 2027, a US$1 billion (₹7,562.75 crores) syndicated bank loan with final maturity in 2025, a GBP 625 million (₹5,845.91 crores) amortising UKEF facility with final maturity in 2024 (face value GBP 573 million (₹5,359.53 crores) outstanding at March 31, 2020), a GBP 100 million (₹935.35 crores) short term secured fleet buy back working capital facility and GBP 540 million (₹5,050.87 crores) of leases. The only contractual debt maturities over the review period are a GBP 300 million (₹2,806.04 crores) bond maturity in January 2021 and the amortisation of GBP 188 million (₹1,758.45 crores) of the UKEF facility as well as the Black Horse fleet buy back facility maturing in Q3 FY21. The undrawn revolving credit facility matures in July 2022. The debt and revolving credit facility have no financial covenant requirements, with the exception of the UKEF facility, which has a GBP 1 billion (₹9,353.46 crores) global liquidity requirement, measured at Quarter ends. This is not projected to be breached in any of the downside scenarios assessed and summarised later in this disclosure. See note 27, Interest Bearing Loans and Borrowings, for additional detail.

Subsequent to the year end, JLR increased an existing short-term working capital facility from GBP 100 million (₹935.35 crores) to GBP 163 million (₹1,524.61 crores) and a wholly-owned Chinese subsidiary completed a GBP 170million (₹1,590.09 crores) equivalent 1-year loan with a Chinese bank. The GBP 170 million (₹1,590.09 crores) equivalent loan was then repaid in June and replaced with a new 3-year GBP 567 million (₹5,303.41 crores) equivalent facility with a syndicate of 5 Chinese banks. The GBP 567 million (₹5,303.41 crores) equivalent syndicated loan is subject to an annual review customary in the Chinese banking market and a profitability and leverage covenant applicable only to JLR's Chinese subsidiary, which are not expected to be breached in any of the scenarios tested. JLR has a strong track record of raising funding in the bond and bank markets and continues to expect it will have opportunities to issue new funding in the future as evidenced by the completion of the Chinese GBP 567 million (₹5,303.41 crores) syndicated loan in June 2020. In addition, JLR has had discussions to access part of the GBP 330 billion (₹3,086,641.80 crores) of guarantees announced by the UK government to assist companies with COVID-19 but nothing has been agreed so the going concern analysis does not assume anything for this.

JLR generally requires payment from retailers on or shortly after delivery of the vehicle. Most dealers use wholesale financing arrangements in place to pay for vehicles. These facilities do not involve recourse to JLR in general and as such are not accounted as JLR debt. JLR expect these facilities to continue over the going concern review period in all scenarios. In the event any of these facilities were not to continue and retailers were unable to settle invoices immediately, working capital would be negatively impacted, possibly significantly, but this risk is considered remote. In addition, JLR has in place US$700 million (₹5,293.93 crores) debt factoring facility for selected retailers and distributors without such wholesale financing arrangements in place. At March 31, 2020, GBP 392 million (₹3,666.56 crores) of the facility was utilised. The facility matures in March 2021 and JLR expect this to be renewed at that time. In the event any of these facilities were not to continue, working capital would be negatively impacted, possibly significantly, but this risk is considered remote.

Update on trading performance since year end

The COVID-19 pandemic and resulting lockdowns resulted in a sharp drop in sales first in China in late January and then other regions in late March with a peak sales decrease in April. JLR responded quickly to the COVID-19 pandemic with temporary plant shutdowns and rigorous cost and investment controls to conserve cash as much as possible. The China joint venture production plant was shut down in late January and reopened in late February. All plants outside of China were shutdown from late March with most plants restarting from late May and production is expected to gradually increase as sales recover.

As a result of the impact of COVID-19 on sales and production, JLR had negative free cash in April and May of about GBP 1.5 billion (₹14,030.19 crores). This includes a GBP 1.2 billion (₹11,224.15 crores) unwind of working capital resulting from the plant shutdowns. The working capital unwind primarily reflects the runoff of payments to suppliers for vehicles built before the plant shutdowns, offset partially by the sale of vehicles in inventory. Cash

Notes Forming Part of Consolidated Financial Statements

at the end of May was about GBP 2.4 billion (₹22,448.30 crores), including about GBP 278 million (₹2,600.26 crores) in international subsidiaries and the revolving credit facility of GBP 1.9 billion (₹17,771.57 crores) remained available and undrawn. A free cash outflow of less than GBP 2 billion (₹18,706.92 crores) is now expected in Q1 of FY21.

JLR is planning for a gradual recovery in the business as lockdowns are relaxed and economies recover. The pick-up in China has been encouraging with all retailers now open and retail sales of 6,828 vehicles in April 2020 (down 3.1% compared to April 2019) and 8,068 in May 2020 (up 4.2% compared to May 2019). The sales of Range Rover and Range Rover Sport have been particularly encouraging.

Other regions have seen peak lockdowns in April with total worldwide retail sales of 14,709 vehicles in April (down 62.5% year-on-year), improving somewhat in May to 20,024 units (down 43.3%). Sales are expected to gradually recover in other regions following the reopening of retailers. Most recently, over 97% of retailers worldwide are open or partially open.

JLR plans to resume production gradually to meet demand as it recovers. The Solihull and Halewood assembly plants and engine plant in the UK, the Slovakia plant and contract manufacturing line in Graz (Austria) restarted from late May. The Castle Bromwich plant will reopen in due course while the joint venture plant in China has been open since late February. Given the present uncertainties, Jaguar Land Rover will continue to manage costs and investment spending rigorously to protect liquidity. JLR has announced the Project Charge (now Charge+) transformation programme achieved a further GBP 600 million (₹5,612.08 crores) of cash improvements in the Q4 of FY20, increasing lifetime savings under the programme to GBP 3.5 billion (₹32,737.11 crores) since launch in the Q2 of FY19, including investment saving of GBP 1.9 billion (₹17,771.57 crores) measured relative to original planning targets. (All savings attributed to Project Charge+ are unaudited pro forma analytical estimates)

JLR has announced a Charge+ saving target for FY21 of GBP 1.5 billion (₹14,030.19 crores) across investment spending, inventory, and selling and administrative as well as material and warranty costs.

JLR has also implemented enhanced cost and investment reduction processes and controls complementing Project Charge in response to COVID-19. This includes reductions in non product spending and lower margin and non-critical investment spending and numerous other cost control measures.

As discussed, the outlook beyond Q1 this year remains uncertain. However, JLR presently expects a gradual recovery of sales consistent with external industry estimates and improving cash flow boosted by the recovery of working capital as a result of the resumption of production, lower investment and other Project Charge+ cost reductions.

Going concern forecast scenarios

For the purposes of assessing going concern over the period from the date of signing of accounts to September 30, 2021, JLR has considered 3 scenarios: 1) Base Case, 2) Severe and 3) Extreme Severe. These scenarios are summarised below with more detailed assumptions provided in the appendix at the end of this disclosure.

As indicated, JLR had about GBP 2.4 billion (₹22,448.30 crores) of cash and short-term liquid investments at the end of May 2020. This includes the GBP 63 million (₹589.27 crores) increase in short term working capital facility and GBP 170 million (₹1,590.09 crores) equivalent 1-year loan with a Chinese Bank which were complete after March 2020 and excludes the GBP 567 million (₹5,303.41 crores) equivalent three-year loan facility which replaced the 1 year China loan. As a result, total debt at the end of May was about GBP 6.5 billion (₹60,797.49 crores).

Scenario 1: base case

The base case scenario assumes:

- A global industry volume forecast of about 71 million units for calendar year 2020 and 81 million units for 2021, representing decreases of about 21% and 10% respectively compared to 2019 industry volumes of about 90 million units based on a number of external industry volume forecasts.
- A decrease in JLR wholesale volumes somewhat greater for FY21 and somewhat less for FY22 compared to the industry assumptions referenced
- Investment, inventory and cost improvements are broadly consistent with the GBP 1.5 billion (₹14,030.19 crores) Project Charge target described above in FY21. There is not yet a Charge target for FY22 and so not all of the saving in FY21 are assumed to continue at the same level in FY22 for the purposes of this going concern analysis.
- Total liquidity including the revolving credit facility is forecast to remain more than adequate with significant headroom in this scenario.

Scenario 2: severe scenario

The severe scenario assumes:

- Global Industry volumes of about 55 million units for calendar year 2020 and about 65 million units for calendar year 2021, representing decreases of about 39% and 28% respectively compared to calendar year 2019. This represents a more L shaped recovery from COVID-19, based on selected external industry downside forecasts.
- A decline in JLR wholesale volumes for FY21 and FY22 broadly similar to the assumed industry decline referenced.
- Investment, inventory and cost improvements broadly consistent with Project Charge targets indicated above but increased by about 15% in FY21

Notes Forming Part of Consolidated Financial Statements

[and about 5% in FY22] to partially mitigate the lower volumes in this scenario.

- Total liquidity including the revolving credit facility was forecast to remain adequate in this scenario but with lower headroom than in the base case.

Scenario 3: extreme severe scenario

An extreme severe scenario was assessed which is the same as Scenario 2 but with the following further sensitivities applied:

- A further volume reduction of about 5% in FY21 resulting in JLR wholesale volumes down about 35% in FY21 and about 27% in H1 FY22, compared to FY20.
- Partial non-achievement of target Charge+ targets with respect to inventory and cost savings including material costs, overheads and warranty
- Modest incremental supply chain cash impacts results from COVID-19
- A hard Brexit resulting in 10% WTO tariffs on UK vehicle exports to EU countries and increased logistics and other associated costs from January 1, 2021 offset partially by the impact of a weaker pound expected in such a scenario
- A number of smaller other sensitivities.

  In this more severe scenario, JLR has identified a number of "tough choice" mitigating actions within their control that would be implemented to maintain sufficient liquidity in the business to remain a going concern. These actions include:

- Further significant reductions in investment spending
- Reductions in fixed marketing and other marketing related costs
- Certain other discretionary costs.

  In this more severe scenario, and taking into account these controllable mitigating actions, total liquidity including the revolving credit facility was forecast to remain adequate (without breaching the UKEF quarter –end liquidity covenant) but with more limited headroom.

Going concern conclusions

As described above, JLR have considered going concern in three scenarios: 1) Base Case, 2) Severe and 3) Extreme Severe.

In each of these scenarios, sufficient liquidity is forecast for JLR to operate and discharge its liabilities as they fall due, taking into account only cash generated from operations, controllable mitigating actions and the funding facilities existing on the date of authorisation of these financial statements and as at March 31, 2020, including the presently undrawn revolving credit facility. In practice, management also expect JLR will be able to raise additional funding facilities over the assessment period to increase available liquidity, considering the strong track record of raising funding in the bond and bank markets.

Management do not consider more extreme scenarios than the ones assessed to be plausible.

As described above, management, after reviewing JLR's Operating budgets, investment plans and financing arrangements, consider that JLR has sufficient funding available at the date of approval of these financial statements.

Appendix: detailed assumptions

This going concern analysis is based on detailed assumptions on how the business normally operates and how COVID-19 might impact the business. The assumptions include but are not limited to the following considerations. Except where stated otherwise, the assumptions are the same for all scenarios.

Dealer network

Currently, over 97% of retailers worldwide are open or partially open although this varies by region and some dealers are open on a constrained basis. The shutdown of dealers during the pandemic has undoubtedly decreased the financial strength of the retailer network with announcements of layoffs and other actions to reduce costs. Jaguar Land Rover is continuously engaging with its retailers and at present is not assuming material risks associated with retailer distress in any of the scenarios.

Supplier base

The business is carefully monitoring the impact of the COVID-19 shutdown on the supply base and readiness of suppliers to support the gradual resumption of production underway. Many of our suppliers are large well-capitalized companies, with others being smaller and medium sized suppliers who tend to have less financial flexibility. At present there are a limited number of known supplier issues, which at this point are not materially different to historically experienced levels. JLR is therefore not presently assuming these represent a material risk compared to historically experienced levels in the Base Case and Severe Scenarios – supplier claims in May 2020 are below prior year levels in terms of number and value. The Extreme Severe Scenario assumes a modest increase in supply chain cash costs related to COVID-19.

Suppliers are on payment terms ranging from 7 to 64 days, with the standard terms being 60 days and the average 58 days. No change in supplier terms is assumed in the going concern analysis compared to historical experience.

Covid-19 and Production Restart Considerations

JLR's production facilities have been modified to protect the safety of our employees and to comply with social distancing legislation. Production ramp up post lockdown has been managed to ensure that these changes within the facilities are embedded quickly and JLR don't expect them to have a lasting impact of the variable costs of production. Restart plans have been coordinated with our supply base

Notes Forming Part of Consolidated Financial Statements

to ensure that all our suppliers can support the production schedule effectively.

Production facility restarts have been demand led in order to ensure that JLR manage the impact on variable profit margins. Given the high level of uncertainty JLR has ensured that they remain flexible and react to changes swiftly.

Employees

For the purposes of this going concern analysis, no structural changes are assumed to the permanent employee base in any of the scenarios. JLR has participated in the UK job retention scheme whereby the government partially reimburses the wage and salary costs of furloughed workers. At its peak about 20,000 employees were furloughed providing about GBP 50 million (₹467.67 crores) of monthly subsidy. However participation is now decreasing with plants reopening and it is assumed the programme will not continue after October.

Working capital

Working capital movements in cash flow are significantly driven by volume levels and changes. This is because supplier payment terms are about 58 days on average although payment terms for individual suppliers can be longer or shorter, while payments for vehicles are received in most countries within a few days of dealers being invoiced. Inventories can also vary to the extent wholesale volumes deviate from forecast before production can be adjusted but in general JLR has set a Charge+ inventory target of GBP 3 billion (₹28,060.38 crores) or lower.

JLR had negative free flow in April and May of about GBP 1.5 billion (₹14,030.19 crores). This includes a GBP 1.2 billion (₹11,224.15 crores) unwind of working capital resulting from the plant shutdowns. The working capital unwind primarily reflects the runoff of payments to suppliers for vehicles built before the plant shutdowns, offset partially by the sale of vehicles in inventory. Cash at the end of May was about GBP 2.4 billion (₹22,448.30 crores), including about GBP 278 million (₹2,600.26 crores) in international subsidiaries and the revolving credit facility of GBP 1.9 billion (₹17,771.57 crores) remained available and undrawn. A free cash outflow of less than GBP 2 billion (₹18,706.92 crores) is now expected in Q1 of FY21.

As production volumes resume, this effect is assumed to reverse and wholesale revenues are assumed to increase while payments to suppliers will lag because of the difference between supplier and dealer payment terms described.

Intra-period volatility

There is a certain degree of volatility in cashflows by month and within months. Historically this has averaged about GBP 188 million (₹1,758.45 crores) intra-month with only a very limited number of exceptions over GBP 400 million (₹3,741.38 crores). It is assumed this level of volatility varies with sales and production volumes and so would be smaller in lower volume scenarios. While not assumed, this could be reduced through more active day to day management of receipts and payments.

Brexit

The Scenario 1 and Scenario 2 assumption for Brexit is that a deal is agreed to avoid a hard Brexit. Scenario 3 assumes a hard Brexit. A hard Brexit is assumed to result in 10% WTO tariffs on UK vehicle exports to EU countries and increased logistics and other associated costs from January 1, 2021, offset partially by the impact of a weaker pound expected in such a scenario.

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

i) Note 3 and 6 - Property, plant and equipment and intangible assets – Useful lives and impairment

ii) Note 5 - Impairment of goodwill

iii) Note 6 - Impairment of indefinite life intangible assets

iv) Note 22 - Recoverability / recognition of deferred tax assets

v) Note 30 - Provision for product warranty

vi) Note 38 - Assets and obligations relating to employee benefits

vii) Note 18 - Allowances for credit losses for finance receivables

viii) Estimated discounts / incentives required to be paid to dealers on retail of vehicles

ix) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic has been rapidly spreading throughout the world, including India and other countries where the Group has its operations. Governments around the world have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, many of the Group's manufacturing plants and offices had to be closed down for a considerable period of time, including after the year end. As a result of the lockdown, the likely revenue from the quarter ended March 31, 2020 has been impacted. Continued lockdowns are likely to impact the Group

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operationally including on supply chain matters. The Company is monitoring the situation closely taking into account directives from the Governments. Further, the Reserve Bank of India (RBI) has announced moratorium on loan repayments for specific borrower segments which impacts Group's vehicle financing business in India. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Group's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development, allowance for losses for finance receivables and the net realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity globally and in particular the countries where the Group operates and in particular on the global automotive industry, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. 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. Sale of products is presented net of excise duty where applicable and other indirect taxes.

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 income statement.

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

b) Sale of services - maintenance service and extended warranties for commercial and passenger vehicles, software support services and insurance broking services.

Income from sale of maintenance services 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 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 prog 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.

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 liabilities – (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 income from leasing of vehicles to customers.

d) 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.

Notes Forming Part of Consolidated Financial Statements

These 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.

i. Cost recognition

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

Expenditure capitalised represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction including product development undertaken by the Company.

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. Provisions are determined by discounting the expected future cash flows at 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 recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and 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 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.

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 regulations.

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 statement of profit and loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs.

For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, and the income and expenses 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 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 statement of profit and loss except when they relate to items that are recognised outside 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

Notes Forming Part of Consolidated Financial Statements

arise from the initial accounting for 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 that 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.

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 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.

m. Cash & cash equivalents

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments 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 less 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, 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, 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. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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

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 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.

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Estimated useful lives of assets are as follows:

Type of Asset	Estimated useful life
Patents and technological know how	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 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 [refer note 2 (x) (i)]

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

Right of use assets is amortised over the period of lease or useful life of underlying assets.

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

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. 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.

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.

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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 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 ₹1,50,000, 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 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 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 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 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.

x) **Measurement date**

The measurement date of retirement plans is March 31.

xi) 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.

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, 2020 (₹ Nil as at March 31, 2019).

v. Segments

The Company primarily operates in the automotive segment. The automotive segment comprises of four reportable sub-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) **Classification, initial recognition and measurement**

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 assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

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

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

Notes Forming Part of Consolidated Financial Statements

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: 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 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 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, unless they are designated as hedging instruments, for which hedge accounting is applied, financial assets which have contractual cash flows which are not in the nature of solely principal and interest payments (like hybrid instruments having embedded derivatives) are classified into this category. These are measured at fair value with changes in fair value recognised in the statement of profit and 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 or 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.

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

ii) Determination of fair value

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

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 models.

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.

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. Loss allowance in respect of financial assets other than finance receivables is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate. 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 life time expected losses is provided if credit risk has increased significantly from the date of 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 statement of profit and loss. 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 statement of profit and loss.

Notes Forming Part of Consolidated Financial Statements

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. These forward and option contracts are stated at fair value at each reporting date. Changes in the fair value of these forward and option contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax) and the 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. Hedge accounting is discontinued when the hedging

Instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. 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) New accounting pronouncements adopted by the Company during the current financial year

Ind AS 116 – Leases (refer note 4 - Right-of-use assets)

The Company adopted Ind AS 116 with effect from April1, 2019. In accordance with Ind AS 116, at the inception of a contract, the Company assessed whether the contract is or contains a lease.

The Company used following practical expedients on date of initial application of Ind AS 116.

1. With leases previously classified as operating leases according to Ind AS 17, the lease liability was measured at the present value of the outstanding lease payments, discounted by the incremental borrowing rate at April 1, 2019. The respective right-of-use asset was recognised at an amount equal to the lease liability;
2. Regardless of their original lease term, leases for which the lease term ends latest on March 31, 2020, were recognised as short-term leases;
3. At the date of initial application, the measurement of a right-of-use asset excluded the initial direct costs; and
4. Hindsight was considered when determining the lease term if the contract contains options to extend or terminate the leases.

The Company has recognized ₹5,583.62 crores as right of use assets and lease liability of ₹5,779.76 crores as on the date of transition i.e. April 1, 2019. Further, an amount of ₹1,035.97 crores has been reclassified from non- current / current assets to right of use assets for prepaid operating lease rentals.

Lease payments of short term leases and leases of low value items are recognized as expense equally over the period of lease. Any lease for which non-cancellable period is less than 12 months is classified as short term lease. Any lease for an asset whose initial value is less than ₹ 0.03 crores is classified as a low value item.

ii) Amendments issued by MCA to existing standards

The Company adopted following amendments issued by MCA effective from financial year beginning April 1, 2019.

i) Amendments to Ind AS 12, Income Taxes - Deferred taxes on Dividends and uncertain tax treatment

An entity is required to create a corresponding liability for payment of Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be. Currently, the Company is recognizing dividend distribution tax on dividends paid to Shareholders in the statement of changes in equity, as per the amendment, the Company will recognize dividend distribution tax on dividend distributed to Shareholders as income tax expense in its statement of profit or loss.

Another amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not. For example, if an entity has not included a particular income in taxable profit, it will be considered as uncertain tax treatment if its acceptability by taxation authority is uncertain. The amendment has been brought by introducing a new Appendix C to Ind AS 12.

Notes Forming Part of Consolidated Financial Statements

If there is uncertainty over tax treatment of an item:

1. An entity should determine an approach or method that predicts the resolution of the uncertainty. Based on the approach, the entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.

2. It shall assess whether it is probable that the taxation authority will accept the uncertain tax treatment, assuming that the authority has full right to examine the treatment and has full knowledge of all related information.

3. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related aforesaid items by using either the most likely outcome or the expected outcome of the uncertainty.

ii) Amendments to Ind AS 109, Financial Instruments: Prepayment of loans

The amendments notified in Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied. Similarly, the holder may classify them either measured at fair value through profit or loss or measured at amortised cost in accordance with conditions of Ind AS 109.

iii) Amendments to Ind AS 19, Employee Benefits: Changes in Employee benefit plan

When a change to a plan by way of either an amendment, curtailment or settlement takes place, Ind AS 19 requires a Company to remeasure its net defined benefit liability or asset.

The amendments to Ind AS 19 require a Company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, Ind AS 19 did not specify how to determine these expenses for the period after the change to the plan.

iv) Amendments to Ind AS 28, Investments in Associates and Joint Ventures

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. This amendment to IND AS 28 clarifies that Ind AS 109 should be applied to financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

There were no significant impact on the Company's financial statements upon adoption of the above amendments issued by MCA.

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, 2020	As at March 31, 2019
	Direct Subsidiaries			
1	TML Business Services Limited [name changed from Concorde Motors (India) 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	72.48	72.28
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 (Incorporated w.e.f July 17, 2019)	India	100.00	-
	Indirect subsidiaries *			
14	Tata Daewoo Commercial Vehicle Company Limited	South Korea	100.00	100.00
15	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited	South Korea	100.00	100.00
16	Tata Motors (Thailand) Limited	Thailand	97.17	95.87
17	Tata Motors (SA) (Proprietary) Limited	South Africa	60.00	60.00
18	PT Tata Motors Indonesia	Indonesia	100.00	100.00
19	Tata Technologies (Thailand) Limited	Thailand	72.48	72.28
20	Tata Technologies Pte Limited	Singapore	72.48	72.28
21	INCAT International Plc.	UK	72.48	72.28
22	Tata Technologies Europe Limited	UK	72.48	72.28
23	Escenda Engineering AB	UK	72.48	72.28
24	INCAT GmbH.	Germany	72.48	72.28
25	Tata Technologies Inc.	USA	72.48	72.34
26	Tata Technologies de Mexico, S.A. de C.V.	Mexico	72.48	72.34
27	Cambric Limited	USA	72.48	72.31
28	Cambric GmbH	Germany	72.48	72.34
29	Tata Technologies SRL Romania	Romania	72.48	72.31
30	Tata Manufacturing Technologies (Shanghai) Limited	China	72.48	72.28
31	Jaguar Land Rover Automotive Plc	UK	100.00	100.00
32	Jaguar Land Rover Limited	UK	100.00	100.00
33	Jaguar Land Rover Austria GmbH	Austria	100.00	100.00
34	Jaguar Land Rover Belux NV	Belgium	100.00	100.00
35	Jaguar Land Rover Japan Limited	Japan	100.00	100.00
36	Jaguar Cars South Africa (Pty) Limited	South Africa	100.00	100.00
37	JLR Nominee Company Limited	UK	100.00	100.00
38	The Daimler Motor Company Limited	UK	100.00	100.00
39	Daimler Transport Vehicles Limited	UK	100.00	100.00
40	S.S. Cars Limited	UK	100.00	100.00
41	The Lanchester Motor Company Limited	UK	100.00	100.00
42	Jaguar Land Rover Deutschland GmbH	Germany	100.00	100.00
43	Jaguar Land Rover Classic Deutschland GmbH	Germany	100.00	100.00
44	Jaguar Land Rover Holdings Limited	UK	100.00	100.00

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, 2020	As at March 31, 2019
45	Jaguar Land Rover North America LLC	USA	100.00	100.00
46	Land Rover Ireland Limited	Ireland	100.00	100.00
47	Jaguar Land Rover Nederland BV	Netherlands	100.00	100.00
48	Jaguar Land Rover Portugal - Veiculos e Pecas, Lda.	Portugal	100.00	100.00
49	Jaguar Land Rover Australia Pty Limited	Australia	100.00	100.00
50	Jaguar Land Rover Italia Spa	Italy	100.00	100.00
51	Jaguar Land Rover Espana SL	Spain	100.00	100.00
52	Jaguar Land Rover Korea Company Limited	South Korea	100.00	100.00
53	Jaguar Land Rover (China) Investment Co. Limited	China	100.00	100.00
54	Jaguar Land Rover Canada ULC	Canada	100.00	100.00
55	Jaguar Land Rover France, SAS	France	100.00	100.00
56	Jaguar Land Rover (South Africa) (Pty) Limited	South Africa	100.00	100.00
57	Jaguar e Land Rover Brasil industria e Comercio de Veiculos LTDA	Brazil	100.00	100.00
58	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	100.00	100.00
59	Jaguar Land Rover (South Africa) Holdings Limited	UK	100.00	100.00
60	Jaguar Land Rover India Limited	India	100.00	100.00
61	Jaguar Cars Limited	UK	100.00	100.00
62	Land Rover Exports Limited	UK	100.00	100.00
63	Jaguar Land Rover Pension Trustees Limited	UK	100.00	100.00
64	Jaguar Racing Limited	UK	100.00	100.00
65	InMotion Ventures Limited	UK	100.00	100.00
66	Lenny Insurance Limited (Name changed from InMotion Ventures 1 Limited w.e.f. September 6, 2019)	UK	100.00	100.00
67	InMotion Ventures 2 Limited	UK	100.00	100.00
68	InMotion Ventures 3 Limited	UK	100.00	100.00
69	InMotion Ventures 4 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
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

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, 2020	As at March 31, 2019
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 (Incorporated w.e.f. May 16, 2019)	UK	100.00	-
102	Bowler Motors Limited (Name changed from Jaguar Land Rover Auto Ventures Limited)	UK	100.00	-
103	Jaguar Land Rover (Ningbo) Trading Co. Limited (Incorporated w.e.f. November 4, 2019)	China	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 Subsidiary Company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2020	As at March 31, 2019
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	36.24	36.14
4	Chery Jaguar Land Rover Automotive Company Limited	China	50.00	50.00
5	JT Special Vehicles Pvt. Limited	India	50.00	50.00
6	Loginomic Tech Solutions Private Limited ('TruckEasy')	India	26.00	26.00

** Effective holding % of the Company as it is a Joint Venture of Tata Technologies Ltd.

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, 2020	As at March 31, 2019
1	Automobile Corporation of Goa Limited	India	49.77	47.19
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. PROPERTY, PLANT AND EQUIPMENT

(₹ in crores)

	Owned assets							Given on lease				Taken on lease				
	Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Heritage Assets	Land	Buildings	Plant and equipment	Vehicles	Buildings	Plant and equipment	Furniture and fixtures	Computers	Total
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
Effect of transition on adoption of Ind AS 116	-	(76.01)	-	-	-	-	-	-	-	-	-	(97.38)	(192.34)	(4.31)	(186.15)	(556.19)
Additions	27.53	2,989.01	11,246.74	133.33	145.76	346.89	-	-	-	-	64.79	-	-	-	-	14,954.05
Additions through 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
Effect of transition on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	(42.08)	(144.43)	(2.37)	(180.57)	(369.45)
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
Cost as at April 1, 2018	**7,338.59**	**16,492.94**	**100,067.26**	**1,425.29**	**353.12**	**1,943.15**	**354.68**	**23.24**	**33.41**	**5.16**	**31.23**	**59.09**	**158.84**	**4.31**	**186.15**	**128,476.46**
Additions	-	6,827.03	16,309.96	225.51	75.63	537.45	24.38	-	0.49	-	33.88	8.15	38.11	-	-	24,080.59
Reversal of assets classified as Held for sale	-	27.11	45.55	36.89	3.88	156.82	-	-	-	-	-	36.78	0.63	-	-	307.66
Currency translation differences	(47.36)	(474.78)	(1,628.70)	(19.90)	(0.64)	(29.94)	(4.92)	(0.38)	(0.62)	-	-	(0.41)	(5.24)	-	-	(2,212.89)
Disposal	(4.97)	(31.43)	(5,571.00)	(46.37)	(44.68)	(272.38)	(1.37)	-	-	-	(2.36)	(6.23)	-	-	-	(5,980.79)
Cost as at March 31, 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**
Accumulated depreciation/ impairment as at April 1, 2018	-	**3,299.91**	**49,073.11**	**718.35**	**179.83**	**1,058.69**	-	-	**0.93**	**4.12**	**6.06**	**20.99**	**71.06**	**1.51**	**174.06**	**54,608.62**
Depreciation for the year	-	908.24	10,815.73	125.50	64.55	247.97	-	-	2.66	-	3.04	9.08	16.28	0.86	6.51	12,200.42
Writeoff/impairment of assets	-	-	10,515.08	144.34	6.05	234.82	161.69	-	-	-	-	-	56.72	-	-	11,118.70
Currency translation differences	-	(49.09)	(445.69)	(7.02)	(0.03)	(6.76)	-	-	(0.01)	-	-	0.29	(0.23)	-	-	(508.54)
Reversal of assets classified as Held for sale	-	12.11	13.12	16.70	2.18	101.50	-	-	-	-	-	13.93	0.60	-	-	160.14
Disposal	-	(22.91)	(5,192.52)	(39.05)	(38.15)	(232.20)	-	-	-	-	(1.13)	(2.21)	-	-	-	(5,528.17)
Accumulated depreciation/ impairment as at March 31, 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**
Net carrying amount as at March 31, 2019	**7,286.26**	**18,692.61**	**44,444.24**	**662.60**	**172.88**	**931.08**	**211.08**	**22.86**	**29.70**	**1.04**	**54.78**	**55.30**	**47.91**	**1.94**	**5.58**	**72,619.86**

Notes Forming Part of Consolidated Financial Statements

4. (a) RIGHT-OF-USE ASSETS

On transition to Ind AS 116, the Group recognized right of use assets for leases of any assets, other than low value items or whichever are short term in nature. Lease liabilities were recognized for such right of use assets equal to the amount of discounted value of all future lease payments from the date of transition, except for certain leases for which right of use assets and lease liabilities were measured at the inception date of lease and carrying amount equivalent to depreciated value of right of use assets and amortised cost of the liability as of the date of transition were recorded.

The reconciliation of the Group's commitments towards all its Future minimum rental payments under non cancellable operating leases as at March 31, 2019 and lease liability recognized as per Ind AS 116 as at April 1, 2019 is as follows:

(₹ in crores)

Future minimum rental payments under non cancellable operating leases as at March 31, 2019	6,222.37
Operating leases with renewal and termination options, others, etc. recorded on transition	3,274.72
Extension and termination options in lease contract considered in lease liability recognized under Ind AS 116	64.84
Operating lease commitments for which no lease liabilities have been recorded on transition	(437.59)
Gross lease liabilities for former operating leases as at April 1, 2019	**9,124.34**
Discounting impact	(3,428.28)
Lease liabilities for former operating leases as at April 1, 2019	**5,696.06**
Present value of finance lease liabilities as at 31 March, 2019	83.70
Total lease liabilities as at April 1, 2019	**5,779.76**

When measuring lease liability, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 7.92%.

The following amounts are included in the Consolidated Balance Sheet as at 31 March 2020: (₹ in crores)

	2020
Current lease liabilities	814.18
Non-current lease liabilities	5,162.94
Total lease liabilities	**5,977.12**

The following amounts are recognised in the consolidated income statement for the year ended 31 March 2020: (₹ in crores)

	2020
Interest expense on lease liabilities	469.25
Variable lease payment not included in the measurement of lease liabilities	2.98
Income from sub-leasing of right-of-use assets	-
Expenses related to short-term leases	155.34
Expenses related to low-value assets, excluding short-term leases of low-value assets	69.56
Gains or losses arising from sale-and-leaseback transactions	-

(₹ 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	-	-	-	-	-	-	-	-
Effect of transition on adoption 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	-	-	-	-	-	-	-	-
Effect of transition on adoption 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 has not yet commenced for ₹171 crores as on March 31, 2020.

Notes Forming Part of Consolidated Financial Statements

Note:

The Company has adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019. Accordingly, the comparative periods have not been restated. The cumulative effect of initial application of the standard of ₹196.14 crores has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. The Company has recognized ₹5,583.62 crores as Right of use assets and lease liability of ₹5,779.76 crores as on the date of transition i.e. April 1, 2019. Further, an amount of ₹1,035.97 crores has been reclassified from non-current/current assets to Right of use assets for prepaid operating lease rentals. In the statement of profit and loss account for the year ended March 31, 2020 the nature of expenses in respect of operating leases has changed from lease rent in previous period to depreciation for the right of use asset and finance cost for interest accrued on lease liability. In respect of leases that were classified as finance lease, applying Ind AS 17, an amount of ₹415.43 crores has been reclassified from property, plant and equipment to Right of use assets. There is no material impact on profit/(loss) after tax and earnings per share for the quarter and year ended March 31, 2020, on adoption of Ind AS 116.

4 (b) LEASES AS A LESSEE UNDER IND AS 17

The Company has taken land, buildings, plant and equipment, computers and furniture and fixtures under operating and finance leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company:

(₹ in crores)

	As at March 31, 2019		
	Operating	Finance	
	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments
Not later than one year	1,099.41	33.00	29.59
Later than one year but not later than five years	2,626.12	97.09	79.12
Later than five years	2,496.83	249.25	64.76
Total minimum lease commitments	**6,222.36**	**379.34**	**173.47**
Less: future finance charges		(205.87)	
Present value of minimum lease payments		**173.47**	
Included in the financial statements as:			
Other financial liabilities - current (refer note 29)			17.30
Long-term borrowings (refer note 26)			156.17
			173.47

Total operating lease rent expenses were ₹1,077.42 crores for the year ended March 31, 2019.

5. GOODWILL

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning	747.87	116.45
Impairment	(8.31)	(8.11)
Reversal of held for sale	-	639.92
Currency translation differences	37.50	(0.39)
Balance at the end	**777.06**	**747.87**

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, 2019, goodwill of ₹107.95 crores and ₹639.92 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 ₹**677.97 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, 2020, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 13.30%.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, 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
Additions through 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/impairment 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/impairment as at March 31, 2020	**5,664.52**	**1,481.58**	**405.40**	**202.39**	**1,375.45**	**47,866.63**	**6,995.97**
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**
Cost as at April 1, 2018	**6,301.52**	**1,522.12**	**561.28**	**327.10**	**5,706.31**	**70,197.81**	**84,616.14**
Additions	844.69	2.18	-	44.59	-	12,053.59	12,945.05
Fully amortised not in use	(434.51)	(38.20)	-	(8.28)	-	(8,651.82)	(9,132.81)
Reversal of Assets classified as Held for sale	248.83	1.75	48.69	-	-	-	299.27
Currency translation differences	(192.36)	(28.35)	(11.96)	(8.45)	(109.70)	(1,278.75)	(1,629.57)
Cost as at March 31, 2019	**6,768.17**	**1,459.50**	**598.01**	**354.96**	**5,596.61**	**72,320.83**	**87,098.08**
Accumulated amortisation/impairment as at April 1, 2018	**3,235.38**	**1,383.86**	**273.12**	**98.12**	**-**	**32,196.09**	**37,186.57**
Amortisation for the year	1,043.48	76.83	29.35	39.57	-	10,200.98	11,390.21
Write off/Impairment of assets	669.40	-	61.73	47.40	1,316.88	8,092.86	10,188.27
Reversal of Assets classified as Held for sale	170.63	0.48	11.00	-	-	-	182.11
Asset fully amortised not in use	(434.51)	(38.20)	-	(8.28)	-	(8,651.82)	(9,132.81)
Currency translation differences	(53.93)	(25.76)	(5.23)	(2.32)	14.11	(509.89)	(583.02)
Accumulated amortisation/impairment as at March 31, 2019	**4,630.45**	**1,397.21**	**369.97**	**174.49**	**1,330.99**	**41,328.22**	**49,231.33**
Net carrying amount as at March 31, 2019	**2,137.72**	**62.29**	**228.04**	**180.47**	**4,265.62**	**30,992.61**	**37,866.75**

(b) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	23,345.67	23,890.56
Additions	16,222.16*	18,235.26
Transferred to cost of other intangible assets	(13,198.50)	(12,898.28)
Reversal of assets classified as held for sale	-	12.54
Write off/impairment	(162.69)	(5,386.48)
Currency translation impact	816.09	(507.93)
Balance at the end	**27,022.73**	**23,345.67**

* the additions during the year include allocation of central overheads amounting to ₹1,094.35 crores.

(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.

Notes Forming Part of Consolidated Financial Statements

7. IMPAIRMENT OF JAGUAR LAND ROVER BUSINESS

The Company is of the view that the operations of its subsidiary Jaguar Land Rover (JLR) represents a single cash-generating unit ('CGU')

In response to the annual requirement of Ind AS 36, and also the economic impact of COVID-19, management performed an impairment assessment as at March 31, 2020.

For the current year assessment, the recoverable value was determined using the value in use ('VIU') approach outlined in Ind AS 36. No impairment was identified as the CGU recoverable amount exceeded its carrying amount by ₹ 3,554.31 crores (GBP 380 million). The impairment loss recorded in the previous year was not reversed because it was considered that there was no significant change in the headroom associated with the CGU.

The Company 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. This plan has been updated to reflect management's best estimate of the impact of all relevant adjusting post balance sheet events, with consideration given to those arising due to the economic impact of COVID-19. 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 2024/25. In forecasting the future cash flows management have given due consideration to the risks that have arisen due to the current economic uncertainty.

The Company has assessed the impact of COVID-19 and adjusted the cash flow forecast to reflect the latest Cycle Plan changes, including investment spend and new vehicle volume forecast. Additionally, the Company has assessed the potential impacts of changes, if any, of a severe downside on volume in the short term impacted by COVID-19 pandemic. The potential impact of reasonably possible outcomes of volume scenarios has been included in the VIU calculations through an adjustment in the discount rate.

The key assumptions used to determine the CGU VIU were as follows:

Growth rate applied beyond approved forecast period - calculated based on the weighted average long term GDP forecasts based on JLRs geographical sales footprint.

Discount rate - the discount rate is calculated with reference to a weighted average cost of capital (WACC) calculated by reference to an industry peer Group. Inputs include risk-free rate, equity risk premium and risk adjustments based on Company-specific risk factors including risks associated with uncertainty in relation to the short-term impact of COVID-19, Brexit and possible US tariffs.

Forecast vehicles volumes –the 5-year volumes have been validated against industry standard external data for market segment and geography and adjusted to reflect historical experience and latest Cycle Plan assumptions;

Terminal value variable profit – the 5-year variable profit forecasts are comprised of revenue, variable marketing, warranty costs, material costs and other variable costs. These values have been validated against historical performance rather than internal targets and adjusted for execution risk by further constraining cash flow estimates. The business has a range of vehicles and models at different stages in their product lifecycle. This variability drives different contribution levels for each product throughout the assessment period. When considering the cash flows to model into perpetuity, it is therefore necessary to derive a steady-state variable profit value based on the 5-year volume set and associated implied variable profit levels;

Terminal value SG&A expenses - SG&A expenses comprise a combination of fixed and variable costs and are subject to ambitious current business plans. For the 5-year cash flow forecasts the ambition has been constrained by adjusting cashflows to reflect historical levels i.e. not including all of management's planned actions for continued cost control. The terminal value assumption is held at similar levels to the 5-year forecast period;

Terminal value capital expenditure – the 5-year cash flows timing and amount are prepared based on the latest Cycle Plan. The terminal value has been derived based the Company's best estimate of a maintenance levels of capital expenditure which has been derived from depreciation and amortisation expectations and longer-term trends which are included in the VIU calculation. Expenditure on new models is excluded as "expansionary capital" unless expenditure is committed and substantively incurred as at the reporting date.

Sensitivity to Key Assumptions

The key assumptions that impact the value in use are considered to be 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 noted above, with a small level of headroom the VIU is sensitive to many reasonably possible changes, however, 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.

Notes Forming Part of Consolidated Financial Statements

The value of key assumptions used to calculate the recoverable amount are as follows:

	As at March 31, 2020	As at March 31, 2019
Growth rate applied beyond approved forecast period	1.9%	1.9%
Pre-tax discount rate	12.5%	11.8%
Terminal value variable profit (%GVR)	19.7%	22.6%
Terminal value capital expenditures (%GVR)	9.1%	11.0%

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 *	% Change	Revised Assumption
Growth rate applied beyond approved forecast period	-17.8%	1.6%
Pre-tax discount rate	2.8%	12.9%
Terminal value variable profit (%GVR)	-0.9%	19.5%
Terminal value capital expenditures (%GVR)	1.9%	9.3%

* For the year ended March 31, 2019, the recoverable amount of the CGU was equal to its carrying amount, therefore the above disclosure is not applicable.

In the impairment assessment performed by the Company as at March 31, 2019, the recoverable value was determined based on value in use ('VIU'), which was marginally higher than the fair value less cost of disposal ('FVLCD') of the relevant assets of the CGU. The recoverable amount was lower than the carrying value of the CGU, and this resulted in an exceptional impairment charge of ₹ 27,837.91 crores (GBP 3,105 million) being recognised within "Exceptional Items" as at March 31,2019.

The impairment loss of ₹ 27,837.91 crores (GBP 3,105 million) has been allocated initially against goodwill of ₹ 8.11 crores (GBP 1 million) and the relevant assets, and thereafter the residual amount has been allocated on a pro-rated basis. This has resulted in ₹12,513.09 crores (GBP 1,396 million) allocated against tangible assets and ₹15,316.71 crores (GBP 1,709 million) allocated against intangible assets.

8. IMPAIRMENT OF PASSENGER VEHICLE SEGMENT AND OTHER PROVISIONS

(a) Impairment of Passenger Vehicle segment

The Company assessed recoverable value for the Passenger Vehicle segment of Tata Motors Limited which represent a separate cash-generating unit (CGU) for the Company as at March 31, 2020, due to change in market conditions. The recoverable value of ₹ 9,120.31 crores was determined by Fair Value less Cost of Disposal ('FVLCD'), which was marginally higher than the Value in Use ('VIU') of the relevant assets of the CGU. The recoverable amount was lower than the carrying value of the CGU of ₹ 10,538.95 crores and this resulted in an impairment charge of ₹ 1,418.64 crores recognised within 'Exceptional items' as at March 31, 2020.

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 years ended March 31 2019, March 31, 2020 and forecasted sales for the year ended March 31, 2021 has been considered as the FVLCD as per CCM.

The approach and key (unobservable) assumptions used to determine the CGU's FVLCD were as follows:

	As at March 31, 2020
Enterprise value to Sales multiple	0.75

The impairment loss of ₹**1,418.64 crores** has been allocated initially to the carrying value of non-current assets on a pro-rated basis as follows:

(₹ in crores)

	As at March 31, 2020
Property, plant and equipment (refer note 3)	634.15
Capital work-in-progress	71.21
Right of use assets (refer note 4)	45.94
Other intangible assets (refer note 6 (a))	542.00
Intangible assets under development (refer note 6 (b))	125.34
Total	**1,418.64**

Notes Forming Part of Consolidated Financial Statements

Sensitivity to key assumptions

The change in the following assumptions used in the impairment review would, in isolation, lead to an increase to the aggregate impairment loss recognised as at March 31, 2020 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

	(₹ in crores)
Decrease in Enterprise value (EV) to Sales multiple by 10%	912.00

(b) Other provisions

During the quarter and year ended March 31, 2020, a provision has been recognized for certain make it supplier contracts ranging from 5 to 10 years, which have become onerous, as the Company estimates that it will procure lower quantities than committed and the costs will exceed the future economic benefit.

9. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES:

(a) Associates:

The Company has no material associates as at March 31, 2020. 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, 2020	As at March 31, 2019
Carrying amount of the Company's interest in associates	1,036.26	1,039.34

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Company's share of profit/(loss) in associates*	16.32	111.06
Company's share of other comprehensive income in associates	(3.37)	8.32
Company's share of total comprehensive income in associates	12.95	119.38

Fair value of investment in an equity accounted associate for which published price quotation is available, which is a level 1 input, was ₹**89.01 crores** and ₹169.69 crores as at March 31, 2020 and 2019, respectively. The carrying amount as at March 31, 2020 and 2019 was ₹**143.11 crores** and ₹138.70 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, 2020	% holding As at March 31, 2019
Chery Jaguar Land Rover Automotive Co. Limited (Chery)	Manufacture and assembly of vehicles	China	50%	50%

Notes Forming Part of Consolidated Financial Statements

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. The summarized financial information in respect of Chery that is accounted for using the equity method is set forth below.

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Current assets	5,606.63	6,770.19
Non-current assets	14,686.38	13,024.47
Current liabilities	(12,616.20)	(9,992.36)
Non-current liabilities	(770.37)	(1,104.24)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	2,602.83	2,860.13
Current financial liabilities (excluding trade and other payables and provisions)	(5,463.58)	(2,516.19)
Non-current financial liabilities (excluding trade and other payables and provisions)	(770.37)	(1,104.23)
Share of net assets of material joint venture	3,453.22	4,349.03
Other consolidation adjustments	(70.59)	(53.49)
Carrying amount of the Company's interest in joint venture	3,382.63	4,295.54

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	11,609.02	15,571.50
Net income/(loss)	(2,005.40)	111.95
Total comprehensive income for the year	**(2,005.40)**	**111.95**
The above net income includes the following:		
Depreciation and amortization	(1,804.73)	1,885.76
Interest income	122.37	(109.20)
Interest expense (net)	(222.34)	126.63
income tax expense/(credit)	505.36	57.81

Reconciliation of above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Net assets of the joint venture	6,906.44	8,698.06
Proportion of the Company's interest in joint venture	3,453.22	4,349.03
Other consolidation adjustments	(70.59)	(53.49)
Carrying amount of the Company's interest in joint venture	3,382.63	4,295.54

During the year ended March 31, 2020, a dividend of **GBP 67.3 million** (₹**606.40 crores**) was received by a subsidiary in UK from Chery Jaguar Land Rover Automotive Co. Ltd. (2019 : GBP 21.69 million, ₹199.03 crores) and an amount of **GBP 67.3 million** (₹**606.40 crores**) was invested by UK subsidiary in Chery Jaguar Land Rover Automotive Co. Ltd.

Notes Forming Part of Consolidated Financial Statements

(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, 2020	As at March 31, 2019
Company's share of profit/(loss) in immaterial joint ventures*	-	(2.50)
Company's share of other comprehensive income in immaterial joint ventures	-	-
Company's share of total comprehensive income in immaterial joint ventures	-	(2.50)

(c) Summary of carrying amount of the Company's interest in equity accounted investees:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Carrying amount in immaterial associates	1,036.26	447.84
Carrying amount in immaterial associates (held for sale)	-	591.50
Carrying amount in material joint venture	3,382.63	4,295.54
TOTAL	**4,418.89**	**5,334.88**
Current (held for sale)	-	591.50
Non current	4,418.89	4,743.38
TOTAL	**4,418.89**	**5,334.88**

(d) Summary of Company's share of profit/(loss) in equity accounted investees:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Share of profit/(loss) in immaterial associates	16.32	111.06
Share of profit/(loss) in material joint venture	(1,002.70)	55.98
Share of profit/(loss) on other adjustments in material joint venture	(13.62)	44.96
Share of profit/(loss) in immaterial joint ventures	-	(2.50)
	(1,000.00)	**209.50**

(e) Summary of Company's share of other comprehensive income in equity accounted investees:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Share of other comprehensive income in immaterial associates	(2.48)	11.15
Currency translation differences-immaterial associates	(0.89)	(2.83)
Currency translation differences-material joint venture	103.50	(55.78)
	100.13	**(47.46)**

* Company's share of profit/(loss) of the equity accounted investees has been determined after giving effect for the subsequent amortisation/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.

Notes Forming Part of Consolidated Financial Statements

10. OTHER INVESTMENTS - NON-CURRENT

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Investments - measured at Fair value through Other Comprehensive Income		
Quoted:		
Equity shares	158.68	303.39
Unquoted:		
Equity shares	450.51	437.90
TOTAL	**609.19**	**741.29**
(b) Investments - measured at Fair value through profit or loss		
Quoted:		
(i) Equity shares	157.78	423.14
(ii) Mutual funds	-	28.84
Unquoted:		
(i) Non-cumulative redeemable preference shares	0.40	5.40
(ii) Cumulative redeemable preference shares	1.50	2.50
(iii) Equity shares	160.39	124.28
(iv) Convertible debentures	87.72	149.08
(v) Others	11.07	19.10
TOTAL	**418.86**	**752.34**
(c) Investments - measured at amortised cost		
Unquoted:		
Non-convertible debentures	-	3.88
TOTAL	**-**	**3.88**
TOTAL (A+B+C)	**1,028.05**	**1,497.51**
Aggregate book value of quoted investments	316.46	726.53
Aggregate market value of quoted investments	316.46	726.53
Aggregate book value of unquoted investments	711.59	770.98

11. OTHER INVESTMENTS - CURRENT

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Investments - measured at Fair value through Other Comprehensive Income		
Quoted:		
Equity Shares	-	0.92
(b) Investments - measured at Fair value through profit and loss		
Unquoted:		
Mutual funds	1,506.93	1,191.90
TOTAL	**1,506.93**	**1,191.90**
(c) Investments - measured at amortised cost		
Unquoted:		
Mutual funds	9,354.61	7,745.51
TOTAL	**9,354.61**	**7,745.51**
Total (a+b+c)	**10,861.54**	**8,938.33**
Aggregate book value of unquoted investments	10,861.54	8,937.41
Aggregate book value of quoted investments	-	0.92
Aggregate market value of quoted investments	-	0.92

Notes Forming Part of Consolidated Financial Statements

12. LOANS AND ADVANCES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured, considered good:		
(a) Loans to channel partners (Net of allowances for credit impaired balances ₹**7.75 crores** and ₹Nil as at March 31, 2020 and March 31, 2019, respectively.)	549.67	180.49
Unsecured, considered good:		
(a) Loans to employees	28.67	26.29
(b) Loan to joint arrangements (Net of allowances for credit impaired balances ₹**3.75 crores** and ₹Nil as at March 31, 2020 and March 31, 2019, respectively.)	-	3.75
(c) Deposits (Net of allowances for credit impaired balances ₹**0.49 crores** and ₹1.84 crores as at March 31, 2020 and March 31, 2019, respectively.)	136.14	136.69
(d) Advances to channel partners (Net of allowances for credit impaired balances ₹**18.28 crores** and ₹8.46 crores as at March 31, 2020 and March 31, 2019, respectively.)	60.23	42.59
(e) Others	8.07	17.61
TOTAL	**782.78**	**407.42**
Current		
Secured, considered good:		
(a) Loans to channel partners	113.14	74.06
Unsecured, considered good:		
(a) Advances to supplier, contractors etc. (Net of allowances for credit impaired balances ₹**98.06 crores** and ₹ 179.86 crores as at March 31, 2020 and 2019, respectively)	781.80	1,177.87
(b) Loans to channel partners	35.62	14.46
(c) Inter corporate deposits (Net of allowances for credit impaired balances ₹**12.07 crores** and ₹Nil as at March 31, 2020 and March 31, 2019, respectively.)	4.69	2.31
TOTAL	**935.25**	**1,268.70**

13. OTHER FINANCIAL ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Non-current		
(a) Derivative financial instruments	2,291.16	911.14
(b) Interest accrued on loans and deposits	28.19	9.03
(c) Restricted deposits	83.95	75.11
(d) Margin money / cash collateral with banks	786.51	329.07
(e) Government grant receivables	578.19	508.08
(f) Recoverable from suppliers	974.70	968.23
(g) Other deposits	6.87	8.52
TOTAL	**4,749.57**	**2,809.18**

Margin money with banks in restricted cash deposits consists of collateral provided for transfer of finance receivables. Restricted deposits as at March 31, 2020 and 2019 includes ₹**56.12 crores** and ₹45.26 crores, respectively, held as a deposit in relation to ongoing legal cases.

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Current		
(a) Derivative financial instruments	2,391.30	1,235.54
(b) Interest accrued on loans and deposits	47.45	17.37
(c) Government grant receivable	429.69	500.31
(d) Deposit with financial institutions	750.00	500.00
(e) Recoverable from suppliers	942.18	959.05
(f) Lease receivables	0.60	1.29
(g) Others	25.26	-
TOTAL	**4,586.48**	**3,213.56**

Notes Forming Part of Consolidated Financial Statements

14. INVENTORIES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Raw materials and components	2,103.36	2,328.44
(b) Work-in-progress	4,550.29	3,891.76
(c) Finished goods	29,631.77	31,512.70
(d) Stores and spare parts	189.84	201.38
(e) Consumable tools	518.53	500.23
(f) Goods-in-transit - Raw materials and components	463.09	579.22
TOTAL	**37,456.88**	**39,013.73**

Note:

(i) Inventories of finished goods include ₹**4,358.71 crores** and ₹4,380.71 crores as at March 31, 2020 and 2019 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, 2020 and 2019 amounted to ₹**1,96,621.07** crores and ₹2,28,342.42 crores, respectively.

(iii) During the year ended March 31, 2020 and 2019, the Company recorded inventory write-down expense of ₹**320.81 crores** and ₹608.63 crores, respectively.

15. TRADE RECEIVABLES (UNSECURED)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Receivables considered good	11,172.69	18,996.17
Credit impaired receivables	1,114.00	970.10
	12,286.69	19,966.27
Less : Allowance for credit impaired receivables	(1,114.00)	(970.10)
TOTAL	**11,172.69**	**18,996.17**

16. CASH AND CASH EQUIVALENTS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Cash on hand	6.96	29.21
(b) Cheques on hand	45.07	385.60
(c) Balances with banks	8,994.82	7,885.13
(d) Deposit with banks	9,420.95	13,259.86
	18,467.80	**21,559.80**

17. BANK BALANCES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
With upto 12 months maturity:		
(a) Earmarked balances with banks (refer note below)	429.70	365.23
(b) Margin money / cash collateral with banks	-	149.58
(c) Bank deposits	14,829.47	10,574.21
TOTAL	**15,259.17**	**11,089.02**

Note:

Earmarked balances with bank includes ₹**299.70 crores** and ₹250.93 crores as at March 31, 2020 and 2019, respectively held as security in relation to interest and repayment of bank borrowings. Out of these deposits, ₹**101.51 crores** and ₹94.27 crores as at March 31, 2020 and 2019, respectively are pledged till the maturity of the respective borrowings.

Notes Forming Part of Consolidated Financial Statements

18. FINANCE RECEIVABLES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Finance receivables	31,730.45	34,457.74
Less: allowance for credit losses	(651.38)	(833.05)
TOTAL	**31,079.07**	**33,624.69**
Current portion	14,245.30	11,551.52
Non-current portion	16,833.77	22,073.17
TOTAL	**31,079.07**	**33,624.69**

Changes in the allowance for credit losses in finance receivables are as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	833.05	1,189.57
Allowances made during the year	660.21	320.24
Written off	(841.88)	(676.76)
Balance at the end	**651.38**	**833.05**

19. ALLOWANCE FOR TRADE AND OTHER RECEIVABLES

Change in the allowances for trade and other receivables are as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	1,272.09	1,477.62
Allowances made during the year	137.03*	214.19
Provision for loan given to a Joint venture	15.82	-
Written off	(74.19)	(397.44)
Foreign exchange translation differences	9.93	(35.33)
Reversal of Assets classified as held for sale	-	13.05
Balance at the end	**1,360.68**	**1,272.09**

* Includes ₹**34.44 crores** and ₹42.40 crores netted off in revenues as at March 31, 2020 and 2019, respectively.

20. OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Capital advances	387.05	385.88
(b) Taxes recoverable, statutory deposits and dues from government	713.71	1,081.90
(c) Prepaid rentals on operating leases	-*	362.57
(d) Prepaid expenses	84.87	768.42
(e) Recoverable from insurance companies	371.21	318.80
(f) Employee benefits	3,821.08	4.62
(g) Others	3.65	16.54
TOTAL	**5,381.57**	**2,938.73**

* Refer note 4 (a)- Right of use assets

Notes Forming Part of Consolidated Financial Statements

21. OTHER CURRENT ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Advances and other receivables (Net of allowances for credit impaired balances ₹**47.44 crores** and ₹43.87 crores as at March 31, 2020 and March 31, 2019, respectively.)	505.97	434.07
(b) GST/VAT, other Taxes recoverable, statutory deposits and dues from government (Net of allowances for credit impaired balances ₹**58.84 crores** and ₹58.06 crores as at March 31, 2020 and March 31, 2019, respectively.)	4,229.15	5,071.95
(c) Prepaid expenses	1,334.36	1,210.68
(d) Recoverable from insurance companies	11.58	35.75
(e) Others	183.85	109.77
TOTAL	**6,264.91**	**6,862.22**

22. INCOME TAXES

The domestic and foreign components of profit/(loss) before income tax is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(loss) before income taxes		
India	(6,600.69)	2,641.69
Other than India	(3,979.29)	(34,012.84)
TOTAL	**(10,579.98)**	**(31,371.15)**

The domestic and foreign components of income tax expense is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Current taxes		
India	190.06	503.43
Other than India	1,702.99	1,721.80
Deferred taxes		
India	(136.29)	(323.75)
Other than India	(1,361.51)	(4,338.93)
TOTAL INCOME TAX EXPENSE	**395.25**	**(2,437.45)**

The reconciliation of estimated income tax to income tax expense is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) before tax	(10,579.98)	(31,371.15)
Income tax expense at tax rates applicable to individual entities	(2,721.46)	(5,390.45)
Additional deduction for patent, research and product development cost	(281.62)	(189.12)
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.	47.45	(8.28)
- interest and other expenses relating to borrowings for investment	55.80	62.16
- Dividend from investments (other than subsidiaries, joint operations, equity accounted investees)	(6.92)	(1.55)
Undistributed earnings of subsidiaries, joint operations and equity accounted investees	(85.55)	127.78
Deferred tax assets not recognized because realisation is not probable	3,191.95	473.87
Previously recognized deferred tax assets written down on account of impairment of Jaguar Land Rover business	-	2,698.15
Previously recognised deferred tax assets written down	49.27	-
Utilization/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(324.02)	(701.64)
Impact of change in statutory tax rates	397.35	454.04
Profit on sale of investments-subsidiaries and Others	-	(93.20)
Others	73.00	130.79
Income Tax Expense Reported	**395.25**	**(2,437.45)**

Notes Forming Part of Consolidated Financial Statements

Note:

1. For the year ended March 31,2020, “Impact of change in statutory tax rates” includes a charge of ₹ 414.58 crores (GBP 49.2 million) with respect to JLR UK for the impact of change in the UK statutory tax rate from 17% to 19% on deferred tax assets and liabilities.

   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. 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 (2019: 17.6%) and 19% on liabilities (2019: 17.4%), 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, 2020.

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	Recognised in profit or loss	Recognised in/ reclassified from other comprehensive income	MAT Credit Utilised	Closing balance
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	112.81	-	4,421.31
Compensated absences and retirement benefits	1,246.29	-	1,246.29	(280.71)	(1,383.31)	-	(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)	(287.63)	-	775.71
Unrealised profit on inventory	1,141.87	-	1,141.87	49.86	24.99	-	1,216.72
Others	1,258.87	-	1,258.87	234.97	39.85	-	1,533.69
Total deferred tax assets	**18,861.05**	**29.23**	**18,890.28**	**1,940.87**	**(1,292.66)**	**(3.78)**	**19,534.72**
Deferred tax liabilities:			-				
Property, plant and equipment	2,626.65	-	2,626.65	(614.34)	(0.97)	-	2,011.34
Intangible assets	10,750.95	-	10,750.95	1,155.74	286.89	-	12,193.58
Undistributed earnings in 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	58.01	-	208.65
Total deferred tax liabilities	**15,200.98**	**-**	**15,200.98**	**443.07**	**374.64**	**-**	**16,018.69**
Net assets/(liabilities)	**3,660.07**	**29.23**	**3,689.30**	**1,497.80**	**(1,667.30)**	**(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

As at March 31, 2020, unrecognized deferred tax assets amount to ₹**6,484.76 crores** and ₹**7,918.57 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 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:

March 31,	(₹ in crores)
2021	215.53
2022	802.98
2023	879.17
2024	715.72
2025	2,260.33
Thereafter	3,044.84

The Company has not recognized deferred tax liability on undistributed profits of certain subsidiaries amounting to ₹**47,629.56 crores** and ₹44,551.06 crores as at March 31, 2020 and 2019 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.

Significant components of deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ in crores)

	Opening balance	Adjustment on initial application of Ind AS 115	Adjusted Opening Balance	Reversal of items classified as held for Sale in earlier year	Recognised in profit or loss	Recognised in/reclassified from other comprehensive income	MAT Credit Utilised	Divestment of a subsidiary Company	Closing balance
Deferred tax assets:									
Unabsorbed depreciation	2,564.73	-	2,564.73	2.43	(16.12)	(0.01)	-	12.44	2,563.47
Business loss carry forwards	4,961.49	8.45	4,969.94	-	(1,925.59)	(72.39)	-	-	2,971.96
Expenses deductible in future years:								-	
- provisions, allowances for doubtful receivables and others	3,021.39	-	3,021.39	2.12	391.11	0.22	-	2.45	3,417.29
Compensated absences and retirement benefits	842.63	-	842.63	13.24	3.27	385.85	-	1.30	1,246.29
Minimum alternate tax carry-forward	38.19	-	38.19	3.78	81.78	-	(1.58)	(15.55)	106.62
Property, plant and equipment	92.65	-	92.65	-	4,825.89	10.82	-	-	4,929.36
Derivative financial instruments	755.25	-	755.25	0.39	(2.24)	471.92	-	-	1,225.32
Unrealised profit on Inventory	1,507.92	-	1,507.92	-	(381.15)	15.10	-	-	1,141.87
Others	1,140.24	-	1,140.24	1.52	168.14	(51.85)	-	0.82	1,258.87
Total deferred tax assets	**14,924.49**	**8.45**	**14,932.94**	**23.48**	**3,145.09**	**759.66**	**(1.58)**	**1.46**	**18,861.05**
Deferred tax liabilities:			-						
Property, plant and equipment	2,740.07	-	2,740.07	5.60	(114.26)	(11.97)	-	7.21	2,626.65
Intangible assets	12,183.85	-	12,183.85	(2.74)	(1,242.05)	(188.11)	-	-	10,750.95
Undistributed earnings in subsidiaries, joint operations and equity accounted investees	1,939.72	-	1,939.72	-	(233.04)*	(17.46)	-	-	1,689.22
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	16.95	-	16.95	-	-	-	-	-	16.95
Others	11.00	-	11.00	12.10	71.76	22.35	-	-	117.21
Total deferred tax liabilities	**16,891.59**	**-**	**16,891.59**	**14.96**	**(1,517.59)**	**(195.19)**	**-**	**7.21**	**15,200.98**
Net assets/(liabilities)	**(1,967.10)**	**8.45**	**(1,958.65)**	**8.52**	**4,662.68**	**954.85**	**(1.58)**	**(5.75)**	**3,660.07**
Deferred tax assets									₹ 5,151.11
Deferred tax liabilities									₹ 1,491.04

* Net off ₹360.82 crores reversed on dividend distribution by subsidiaries.

Notes Forming Part of Consolidated Financial Statements

23. EQUITY SHARE CAPITAL

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Authorised:		
(i) **400,00,00,000** Ordinary shares of ₹2 each	800.00	800.00
(as at March 31, 2019: 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, 2019: 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, 2019: 30,00,00,000 shares of ₹100 each)		
TOTAL	**4,000.00**	**4,000.00**
(b) Issued [Note (j)]:		
(i) **308,94,66,453** Ordinary shares of ₹2 each	617.79	577.57
(as at March 31, 2019: 288,78,43,046 Ordinary shares of ₹2 each)		
(ii) **50,87,36,110** 'A' Ordinary shares of ₹2 each	101.75	101.75
(as at March 31, 2019: 50,87,36,110 'A' Ordinary shares of ₹2 each)		
TOTAL	**719.59**	**679.32**
(c) Subscribed and called up:		
(i) **308,89,73,894** Ordinary shares of ₹2 each	617.79	577.47
(as at March 31, 2019: 288,73,48,694 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: 50,85,02,371 'A' Ordinary shares of ₹2 each)		
	719.49	**679.17**
(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, 2019: 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):	719.49	679.17
(f) Forfeited - Ordinary shares	0.05	0.05
TOTAL (E + F)	**719.54**	**679.22**

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

	Year ended March 31, 2020 (No. of shares)	Year ended March 31, 2020 (₹ in crores)	Year ended March 31, 2019 (No. of shares)	Year ended March 31, 2019 (₹ in crores)
(i) Ordinary shares				
Balance as at April 1	2,887,348,694	577.47	2,887,348,694	577.47
Add: Preferential allotment of shares	201,623,407	40.32	-	-
Add: Allotment of shares held in abeyance	1,793	0.00*	-	-
Balance as at March 31	**3,088,973,894**	**617.79**	**2,887,348,694**	**577.47**
(ii) 'A' Ordinary shares				
Balance as at April 1	508,502,371	101.70	508,502,371	101.70
Add: Allotment of shares held in abeyance	525	0.00 *	-	-
Balance as at March 31	**508,502,896**	**101.70**	**508,502,371**	**101.70**

* less than ₹50,000/-

(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 allotment of each Warrant and the balance 75% of the Warrant Price shall be 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).The amount of **₹3,891.85 crores** has been received and is to be utilized for repayment of debt, meeting future funding requirements and other general corporate purposes of the Company and its subsidiaries. The Company has utilised amount of **₹2,762.00 crores** as at March 31, 2020.

Notes Forming Part of Consolidated Financial Statements

(i) The entitlements to **4,92,559** Ordinary shares of ₹2 each (as at March 31, 2019 : 4,94,352 Ordinary shares of ₹2 each) and **2,33,214** 'A' Ordinary shares of ₹2 each (as at March 31, 2019: 2,33,739 '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, 2020		As at March 31, 2019	
	% Issued Share Capital	No. of Shares	% Issued Share Capital	No. of Shares
(i) Ordinary shares :				
(a) Tata Sons Private Limited	39.52%	1,22,07,79,930	34.69%	1,01,91,56,523
(b) Life Insurance Corporation of India	*	*	5.02%	14,73,73,493
(c) Citibank N A as Depository	#	32,07,93,365	#	32,36,96,360
(ii) 'A' Ordinary shares :				
(a) Tata Sons Private Limited	5.26%	2,67,22,401	-	-
(b) ICICI Prudential Balanced Advantage Fund	11.03%	5,60,75,659	11.98%	6,09,11,219
(c) Franklin India Smaller Companies Fund	12.84%	6,52,79,915	11.71%	5,95,34,740
(d) Government of Singapore	5.74%	2,92,11,889	6.51%	3,30,82,933

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, 2020	Year ended March 31, 2019
Balance at the beginning	2,552.39	4,621.23
Exchange differences arising on translating the net assets of foreign operations (net)	2,219.70	(2,010.23)
Net change in translation reserve - equity accounted investees (net)	102.61	(58.61)
Balance at the end	**4,874.70**	**2,552.39**

(b) The movement of Equity instruments held as fair value through other comprehensive income(FVTOCI) is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	62.08	22.82
Other Comprehensive income for the year	(137.07)	43.80
Income tax relating to gain/(loss) recognised on equity investments, where applicable	(2.38)	0.39
Profit on sale of equity investments reclassified to retained earnings	-	(4.93)
Balance at the end	**(77.37)**	**62.08**

(c) The movement of Hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	(5,602.62)	(3,626.04)
Gain/(loss) recognised on cash flow hedges	(2,400.47)	(8,485.30)
Income tax relating to gain/(loss) recognized on cash flow hedges	492.15	1,606.17
(Gain)/loss reclassified to profit or loss	4,773.17	7,077.94
Income tax relating to gain/(loss) reclassified to profit or loss	(906.47)	(1,345.20)
Amounts reclassified from hedge reserve to inventory	(305.75)	(1,024.92)
Income tax related to amounts reclassified from hedge reserve to inventory	58.09	194.73
Balance at the end	**(3,891.90)**	**(5,602.62)**
Of the above balance related to :		
Continued Hedges	(3,611.13)	(5,256.78)
Discontinued Hedges	(280.77)	(345.84)

(d) The movement of Cost of hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	(70.80)	143.98
Gain/(loss) recognised on cash flow hedges	(127.76)	(262.32)
Income tax relating to gain/(loss) recognised on cash flow hedges	34.65	51.03
(Gain)/loss reclassified to profit or loss	(94.24)	(18.94)
Income tax relating to gain/(loss) reclassified to profit or loss	16.70	4.40
Amounts removed from hedge reserve and recognised in inventory	34.77	13.65
Income tax related to amounts removed from hedge reserve and recognised in inventory	(6.61)	(2.60)
Balance at the end	**(213.28)**	**(70.80)**
Continued Hedges	(215.65)	(76.68)
Discontinued Hedges	2.37	5.88

(e) Summary of Other components of equity:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Currency translation reserve	4,874.70	2,552.39
Equity instruments held as FVTOCI	(77.37)	62.08
Hedging reserve	(3,891.90)	(5,602.62)
Cost of hedging reserve	(213.28)	(70.80)
TOTAL	**692.15**	**(3,058.95)**

Notes Forming Part of Consolidated Financial Statements

25. NOTES TO RESERVES AND DIVIDENDS

(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

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 debenture redemption reserve 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 instruments 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, 2020 and 2019, 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.

Notes Forming Part of Consolidated Financial Statements

(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.

26. LONG-TERM BORROWINGS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Secured:		
(a) Privately placed Non-Convertible Debentures	434.33	1,765.40
(b) Collateralised debt obligations	2,058.76	1,564.91
(c) Term loans:		
(i) from banks	11,015.94	9,744.57
(ii) other parties	194.64	196.93
Unsecured:		
(a) Privately placed Non-Convertible Debentures	7,991.79	7,187.29
(b) Term loans:		
(i) from banks	20,956.80	18,182.90
(ii) other parties	157.09	44.07
(c) Senior notes	39,716.85	31,344.61
(d) Others	789.42	786.82
TOTAL	**83,315.62**	**70,817.50**

27. SHORT-TERM BORROWINGS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Secured:		
(a) Loans from banks	7,110.88	7,990.00
(b) Loans from other parties	-	187.87
Unsecured:		
(a) Loans from banks	2,386.72	946.83
(b) Inter corporate deposits from associates	46.00	73.00
(c) Commercial paper	6,818.93	10,952.56
TOTAL	**16,362.53**	**20,150.26**

COLLATERALS

Inventory, trade receivables, finance receivables, other financial assets, property, plant and equipment with a carrying amount of **₹32,130.07 crores** and ₹30,885.05 crores are pledged as collateral/security against the borrowing and commitment as at March 31, 2020 and 2019, respectively.

Notes Forming Part of Consolidated Financial Statements

Notes :

NATURE OF SECURITY (ON LOANS INCLUDING INTEREST ACCRUED THEREON) :

Long Term Borrowings

(A) Non convertible debentures

Privately placed non-convertible debentures amounting to ₹**434.33 crores** included within Long-term borrowings in note 26 and ₹**1,452.52 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

(i) Term loans from banks amounting to ₹**8,932.63 crores** included within long-term borrowings in note 26 and ₹**1,977.30 crores** included within current maturities of long-term borrowings in note 29 are secured by a pari-passu charge in favour of the security trustee on all receivables of TMFL 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 by TMFL from time to time and accepted by the relevant lender/security trustee.

(ii) Term loans from banks amounting to ₹**1,464.03 crores** included within long-term borrowings in note 26 and ₹**615.82 crores** included within current maturities of long-term borrowings in note 29 are secured by way of a charge created on all receivables of Tata Motors Finance Solutions Limited (TMFSL) 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 by TMFSL from time to time and accepted by the relevant lender.

(iii) Term loan from banks of ₹**614.93 crores** included within Long-term borrowings in note 26 and ₹**160.68 crores** included within Current maturities of Long-term borrowings in note 29 is taken by joint operation Fiat India Automobiles Private Ltd. which is due for repayment from June 2019 to May 2023. The loan is secured by first charge over fixed assets procured from its loan/jeep project.

(iv) The term loan from bank of ₹**4.36 crores** included within Long -term borrowings in note 26 and ₹**0.29 crores** included within current maturity of long-term borrowings in note 29 are secured by pari passu first charge on fixed assets of Brabo Robotics and Automation Limited.

(v) The term loan from others of ₹**587.08 crores** (recorded in books at ₹**161.00 crores** is due for repayment from the quarter ending March 31,2033 to quarter ending March31, 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.

(vi) The term loan from others of ₹**69.34 crores** (recorded in books at ₹**27.13 crores**) 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. The loan is secured by bank guarantee for the due performance of the conditions as per the terms of the agreement.

(vii) The term loan from others of ₹**6.50 crores** included within Long -term borrowings in note 26 and ₹**9.00 crores** included within current maturity of long-term borrowings in note 29 are secured by pari passu first charge on fixed assets of Tata Marcopolo Motors Limited.

(viii) The term loan from others of ₹**935.35 crores** included within current maturity of long-term borrowings in note 29 are secured by pari passu first charge on fixed assets of JLR.

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, 2020	As at March 31, 2019
5.625% Senior Notes due 2023	USD	500	3,774.58	3,446.40
3.875% Senior Notes due 2023	GBP	400	3,725.82	3,600.58
5.000% Senior Notes due 2022	GBP	400	3,725.31	3,596.98
3.500% Senior Notes due 2020	USD	500	-	3,468.65
4.250% Senior Notes due 2019	USD	500	-	3,471.30
2.750% Senior Notes due 2021	GBP	300	2,800.49*	2,703.68
2.200% Senior Notes due 2024	EUR	650	5,398.43	5,036.70
4.500% Senior Notes due 2027	USD	500	4,234.69	3,458.55
4.500% Senior Notes due 2026	EUR	500	4,101.21	3,898.95
5.875% Senior Notes due 2024	EUR	500	4,139.04	-
6.875% Senior Notes due 2026	EUR	500	4,219.14	-
			36,118.71	**32,681.79**

* Classified as other current liabilities being maturity before March 31, 2021.

(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, 2020 are as follows:

(₹ in crores)

Particulars	Currency	Amount (in million)	As at March 31, 2020	As at March 31, 2019
5.750% Senior Notes due 2024	USD	250	1,876.36	1,718.73
5.750% Senior Notes due 2021	USD	300	2,267.82	2,079.16
4.625% Senior Notes due 2020	USD	262.532	1,986.28*	1,804.88
5.875% Senior Notes due 2025	USD	300	2,254.44	-
			8,384.90	**5,602.77**

* Classified as other current liabilities being maturity before March 31, 2021.

(C) Non convertible debentures amounting to ₹**8,426.12 crores** included within long-term borrowing in note 26 and ₹**3,473.34 crores** included within current maturities of long term borrowings in note 29 bear interest rate ranging from 7.28% to 11.50% and maturity ranging from April 2020 to March 2029.

Notes Forming Part of Consolidated Financial Statements

(D) Loan from banks/ financial institutions consists of:

(i) Term loans amounting to ₹**11,821.98 crores** included within long-term borrowings in note 26 and ₹**4,652.41 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, 2020 to June 2026.

(ii) External commercial borrowings in foreign currencies amounting to ₹**2,275.53 crores** included within long-term borrowing in note 26 and ₹**135.68 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 ₹ **10,387.42 crores** included within long-term borrowing in note 26 and ₹ **3,905.45 crores** included within current maturities of long term borrowings in note 29 bearing floating interest rate that are linked to LIBOR maturity ranging from March 2021 to July 2023.

(iv) Foreign currency syndicate loan amounting to ₹**7,495.38 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.

SHORT TERM BORROWINGS : TERMS

(i) Short-term loan from banks and other parties(financial institutions) consists of cash credit, overdrafts, short term loan, bill discounting amounting to ₹**5,150.28 crores** bearing fixed rate of interest ranging from 7.90% to 9.14% and ₹**4,347.32 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 **5.70% to 7.54%**.

28. OTHER FINANCIAL LIABILITIES – NON-CURRENT

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(a)	Derivative financial instruments	3,255.88	2,662.44
(b)	Liability towards employee separation scheme	75.83	79.10
(c)	Option Premium Liability	397.41	-
(d)	Others	129.36	51.17
	TOTAL	**3,858.48**	**2,792.71**

29. OTHER FINANCIAL LIABILITIES – CURRENT

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(a)	Current maturities of long-term borrowings	19,132.37	15,034.11
(b)	Interest accrued but not due on borrowings	1,285.10	1,059.58
(c)	Liability towards vehicles sold under repurchase arrangements	4,483.38	4,243.65
(d)	Liability for capital expenditure	6,403.22	7,046.74
(e)	Deposits and retention money	537.55	407.87
(f)	Derivative financial instruments	4,280.60	4,742.53
(g)	Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 (IEPF) not due	5.42	21.08
(h)	Option Premium Liability	91.87	-
(i)	Others	324.49	282.79
	TOTAL	**36,544.00**	**32,838.35**
Notes:			
Current maturities of long term borrowings consist of :			
(i)	Privately placed Non-Convertible Debentures (Secured)	1,452.52	2,156.01
(ii)	Privately placed Non-Convertible Debentures (Unsecured)	2,020.82	1,670.68
(iii)	Collateralised debt obligation (Unsecured)	2,171.18	1,482.42
(iv)	Senior Notes (Unsecured)	4,786.77	6,939.95
(v)	Term loans from banks and others (Secured)	3,698.44	1,869.88
(vi)	Term loans from banks and others (Unsecured)	5,002.64	615.17
(vii)	Others	-	300.00
	TOTAL	**19,132.37**	**15,034.11**

Notes Forming Part of Consolidated Financial Statements

30. PROVISIONS

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
NON-CURRENT			
(a)	Employee benefits obligations	1,126.61	826.35
(b)	Product warranty	11,387.41	10,097.01
(c)	Legal and product liability	506.59	391.31
(d)	Provision for residual risk	1,064.83	277.62
(e)	Provision for environmental liability	160.66	138.12
(f)	Provision for Onerous Contracts	414.75	-
(g)	Other provisions	75.84	124.44
	TOTAL	**14,736.69**	**11,854.85**
CURRENT			
(a)	Employee benefit obligations	255.54	1,107.87
(b)	Product warranty	7,909.78	7,404.25
(c)	Legal and product liability	1,163.07	1,395.12
(d)	Provision for residual risk	572.36	85.12
(e)	Provision for environmental liability	45.16	125.47
(f)	Provision for Onerous Contracts	362.25	-
(g)	Other provisions	20.88	78.92
	TOTAL	**10,329.04**	**10,196.75**

(₹ in crores)

	Year ended March 31, 2020				
	Product warranty	Legal and product Liability	Provision for residual risk	Provision for environmental liability	Provision for Onerous Contract
Balance at the beginning	17,501.26	1,786.43	362.74	263.59	-
Provision made during the year	10,750.80	312.70	1,255.59	54.30	777.00
Provision used during the year	(9,796.20)	(490.70)	(78.65)	(118.40)	-
Impact of discounting	263.30	-	-	-	-
Impact of foreign exchange translation	578.03	61.23	97.51	6.33	-
Balance at the end	**19,297.19**	**1,669.66**	**1,637.19**	**205.82**	**777.00**
Current	7,909.78	1,163.07	572.36	45.16	362.25
Non-current	11,387.41	506.59	1,064.83	160.66	414.75

31. OTHER NON-CURRENT LIABILITIES

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(a)	Contract liabilities (refer note below)	5,015.77	4,673.09
(b)	Government grants	3,332.05	3,019.48
(c)	Employee benefits obligations	341.64	6,110.12
(d)	Others	70.06	119.52
	TOTAL	**8,759.52**	**13,922.21**

Notes Forming Part of Consolidated Financial Statements

32. OTHER CURRENT LIABILITIES

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(a)	Contract liabilities (refer note below)	4,256.63	4,577.38
(b)	Government grants	154.46	258.89
(c)	Statutory dues (VAT, Excise, Service Tax, GST, Octroi etc)	3,655.03	3,913.94
(d)	Others	899.83	796.25
	TOTAL	**8,965.95**	**9,546.46**

Note:

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Opening contract liabilities	9,250.47	7,867.89
	Transition impact of Ind AS 115	-	276.69
	Amount recognised in revenue	(4,466.72)	(3,578.39)
	Amount received in advance during the year	4,255.15	4,958.05
	Amount refunded to customers	(28.15)	(217.55)
	Liabilities directly associated with assets held for sale	-	71.77
	Currency translation	261.65	(127.99)
	Closing contract liabilities	**9,272.40**	**9,250.47**

(₹ in crores)

			As at March 31, 2020	Year ended March 31, 2019
(b)	Contract liabilities include			
	Advances received from customers	Current	1,125.36	1,739.61
	Deferred revenue	Current	3,131.27	2,837.77
		Non-current	5,015.77	4,673.09
	Total contract liabilities		**9,272.40**	**9,250.47**

Government grants include:

(i) Government incentives includes ₹**148.11 crores** as at March 31, 2020 (₹245.93 crores as at March 31, 2019) 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) **₹3,269.11 crores** as at March 31, 2020 (₹2,963.01 crores as at March 31, 2019) relating to Research and Development Expenditure Credit (RDEC) on qualifying expenditure incurred since April 1, 2013.

Notes Forming Part of Consolidated Financial Statements

33. REVENUE FROM OPERATIONS

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Sale of products (refer note 1 below)		
	(i) Sale of vehicles	2,18,982.73	2,58,566.52
	(ii) Sale of spare parts	24,099.47	24,031.89
	(iii) Sale of miscellaneous products	8,315.24	10,383.46
	Total Sale of products	**2,51,397.44**	**2,92,981.87**
(b)	Sale of services	3,384.14	2,809.17
(c)	Finance revenues	3,812.78	3,399.55
		2,58,594.36	**2,99,190.59**
(d)	Other operating revenues	2,473.61	2,747.81
	TOTAL	**2,61,067.97**	**3,01,938.40**

Note:

(1)	Includes exchange (loss) (net) on hedges reclassified from hedge reserve to statement of profit or loss	(4,814.06)	(6,956.21)

34. OTHER INCOME

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest income	1,170.12	786.46
(b) Dividend income	21.13	17.28
(c) Profit on sale of investments measured at FVTPL	187.34	128.61
(d) Incentives (refer note 1 below)	1,983.61	1,794.42
(e) Gain /(loss) MTM on investments measured at FVTPL	(389.05)	238.54
TOTAL	**2,973.15**	**2,965.31**

Note:

(1) Incentives include exports and other incentives of ₹**612.65 crores** and ₹621.38 crores, for the year ended March 31, 2020 and 2019, respectively and ₹**1,090.40 crores** and ₹812.61 crores, for the year ended March 31, 2020 and 2019, 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, 2020	Year ended March 31, 2019
(a) Salaries, wages and bonus	24,290.30	26,508.97
(b) Contribution to provident fund and other funds	2,720.14	2,885.55
(c) Staff welfare expenses	3,428.16	3,849.35
TOTAL	**30,438.60**	**33,243.87**

Share based payments

Long Term Incentive Plan

A subsidiary of the Company operates a Long Term Incentive Plan (LTIP) arrangement for certain employees. The scheme provides a cash payment to the employee based on a specific number of phantom shares at grant and the share price of Tata Motors Limited at the vesting date. The cash payment is dependent on the performance of the underlying shares of Tata Motors Limited shares over the 3 year vesting period and continued employment at the end of the vesting period. The fair value of the awards is calculated using a Black-Scholes model at the grant date. The fair value is updated at each reporting date as the awards are accounted for as cash-settled plan. The inputs into the model are based on the Tata Motors Limited historic data, the risk-free rate and the weighted average fair value of shares, in the scheme at the reporting date. During the year ended March 31, 2016, the subsidiary Company issued its final LTIP based on the share price of Tata Motors Limited. The amount released in relation to the LTIP was ₹**NIL** and ₹9.18 crores for the years ended March 31, 2020 and 2019, respectively. The Company considers these amounts as not material and accordingly has not provided further disclosures as required by Ind AS 102 "Share-based payment".

During the year ended March 31, 2017, the subsidiary launched a new long-term employment benefit scheme which provides cash payment to certain employees based on subsidiary's performance against long-term business Metrics. This new LTIP scheme has been accounted for in accordance with Ind AS 19 "Employee benefits".

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Employee Stock Options

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 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, 2020	Year ended March 31, 2019
Options outstanding at the beginning of the Year	78,12,427	-
Granted during the year	-	78,12,427
Forfeited/Expired during the year	(5,89,530)	-
Exercised during the year	-	-
Outstanding at the end of the Year	72,22,897	78,12,427
Maximum/Minimum number of shares to be issued for outstanding options (conditional on performance measures)	1,08,34,346/36,11,449	1,17,18,641/39,06,214

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, 2020.

Assumption factor	Estimates	
	Year ended March 31, 2020	Year ended March 31, 2019
Risk free rate	7%-8%	7%-8%
Expected life of option	3-5 years	4-6 years
Expected volatility	33%- 37%	33%- 37%

36. FINANCE COSTS

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest	7,680.29	5,970.80
Less: Interest capitalised*	(1,446.63)	(1,512.85)
Add: Exchange fluctuation considered as interest cost	56.34	38.10
	6,290.00	**4,496.05**
(b) Discounting charges	953.33	1,262.55
TOTAL	**7,243.33**	**5,758.60**

* 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 **5.51%** and 5.45% for the years ended March 31, 2020 and 2019, respectively.

Notes Forming Part of Consolidated Financial Statements

37. OTHER EXPENSES

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Processing charges	1,070.05	1,634.36
(b) Consumption of stores & spare parts	1,500.71	2,444.15
(c) Power & fuel	1,264.95	1,585.93
(d) Information Technology (IT) related/Computer expenses	2,372.22	2,340.45
(e) Engineering expense	6,598.53	5,275.58
(f) MTM (gain)/loss on commodity derivatives	688.18	(84.75)
(g) Warranty and product liability expenses*	10,884.59	11,890.70
(h) Freight, transportation, port charges etc.	6,484.39	7,804.47
(i) Publicity	7,614.24	8,729.63
(j) Allowances for trade and other receivables	102.59	214.19
(k) Allowances for finance receivables	660.21	320.24
(l) Works operation and other expenses (note below)	17,846.80	20,083.17
TOTAL	**57,087.46**	**62,238.12**
* Net of estimated recovery from suppliers :	(65.60)	(2.96)

Note :

(₹ in crores)

Works operation and other expenses :	Year ended March 31, 2020	Year ended March 31, 2019
(i) Auditors' remuneration		
(i) Audit fees	69.54	67.78
(ii) Tax Audit fees	1.40	1.07
(iii) All other fees	5.67*	1.58
TOTAL	**76.61**	**70.43**

* Includes ₹ **4.28 crores** fees paid for issuance of Seniors Notes.

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	
	2020	2019	2020	2019
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the Year	1,168.26	1,024.79	153.40	154.05
Current service cost	82.77	74.63	8.17	8.04
Interest cost	85.95	75.70	11.30	11.51
Remeasurements (gains) / losses				
Actuarial (gains) / losses arising from changes in demographic assumptions	3.55	(1.19)	(0.67)	-
Actuarial losses arising from changes in financial assumptions	37.12	14.19	9.91	8.11
Actuarial (gains) / losses arising from changes in experience adjustments	24.66	59.27	(5.42)	(15.03)
Benefits paid from plan assets	(83.03)	(71.31)		
Benefits paid directly by employer	(5.89)	(5.82)	(7.71)	(9.42)
Past service cost - Plan amendment	(5.17)	0.39	-	(1.99)
Curtailment	0.03	-	-	-
Divestment	0.21	(2.39)	-	(1.87)
Defined benefit obligation, end of the Year	**1,308.46**	**1,168.26**	**168.98**	**153.40**
Change in plan assets:				
Fair value of plan assets, beginning of the Year	1,025.04	906.04	-	-
Divestment	-	(1.25)	-	-
Interest income	80.45	71.60	-	-
Return on plan assets, (excluding amount included in net Interest cost)	(18.04)	2.70	-	-
Employer's contributions	123.80	117.26	-	-
Benefits paid	(83.03)	(71.31)	-	-
Fair value of plan assets, end of the Year	**1,128.22**	**1,025.04**	**-**	**-**
Amount recognized in the balance sheet consists of:				
Present value of defined benefit obligation	1,308.46	1,168.26	168.98	153.40
Fair value of plan assets	1,128.22	1,025.04	-	-
Net liability	**(180.24)**	**(143.22)**	**(168.98)**	**(153.40)**
Amounts in the balance sheet:				
Non–current assets	2.11	1.64	-	-
Non–current liabilities	(182.35)	(144.86)	(168.98)	(153.40)
Net liability	**(180.24)**	**(143.22)**	**(168.98)**	**(153.40)**

Total amount recognised in other comprehensive income consists of:

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Remeasurements (gains)/losses	150.10	62.91	(41.31)	(45.14)
	150.10	**62.91**	**(41.31)**	**(45.14)**

Notes Forming Part of Consolidated Financial Statements

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

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	1,141.98	983.70
Fair value of plan assets	1,091.60	961.23

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

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	34.51	62.17
Fair value of plan assets	36.61	63.81

Information for unfunded plans:

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	131.97	122.39	168.98	153.40

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

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Service cost	82.77	74.63	8.17	8.04
Net interest cost	5.50	4.10	11.30	11.51
Past service cost - Plan amendment	(5.17)	0.39	-	(1.99)
Net periodic cost	**83.10**	**79.12**	**19.47**	**17.56**

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, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	18.04	(2.70)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	3.55	(1.19)	(0.67)	-
Actuarial (gains)/losses arising from changes in financial assumptions	37.12	14.19	9.91	8.11
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	24.66	59.27	(5.42)	(15.03)
Total recognised in other comprehensive income	**83.37**	**69.57**	**3.82**	**(6.92)**
Total recognised in statement of operations and other comprehensive income	**166.47**	**148.69**	**23.29**	**10.64**

Notes Forming Part of Consolidated Financial Statements

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

	Pension benefits		Post retirement medical benefits	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Discount rate	6.10% - 6.90%	6.75% - 7.70%	6.90%	7.60%
Rate of increase in compensation level of covered employees	5.00% - 10.00%	6.00% - 12.00%	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, 2020 and 2019 by category are as follows:

	Pension benefits	
	Plan assets as of March 31	
	2020	2019
Asset category:		
Cash and cash equivalents	5.8%	6.5%
Debt instruments (quoted)	67.3%	66.9%
Debt instruments (unquoted)	0.7%	0.9%
Equity instruments (quoted)	2.6%	2.6%
Deposits with Insurance companies	23.6%	23.1%
	100.0%	**100.0%**

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

The weighted average duration of the defined benefit obligation as at March 31, 2020 is **13.97 years** (2019 : 14.41 years)

The Company expects to contribute ₹**102.78 crores** to the funded pension plans in Fiscal 2021.

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 ₹118.52 crores	Decrease by ₹23.26 crores
	Decrease by 1%	Increase by ₹137.30 crores	Increase by ₹23.95 crores
Salary escalation rate	Increase by 1%	Increase by ₹106.55 crores	Increase by ₹23.47 crores
	Decrease by 1%	Decrease by ₹95.67 crores	Decrease by ₹20.63 crores
Health care cost	Increase by 1%	Increase by ₹22.49 crores	Increase by ₹4.85 crores
	Decrease by 1%	Decrease by ₹15.26 crores	Decrease by ₹4.03 crores

Notes Forming Part of Consolidated Financial Statements

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 as at March 31, 2020.

(₹ in crores)

Particulars	Year Ended March 31, 2020
Change in benefit obligations:	
Defined benefit obligations at the beginning	3,693.92
Service cost	133.99
Employee contribution	307.34
Acquisitions (credit) / cost	(140.30)
Interest expense	312.54
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	4.57
Benefits paid	(235.68)
Defined benefit obligation, end of the Year	**4,076.38**
Change in plan assets:	
Fair value of plan assets at the beginning	3,706.28
Acquisition Adjustment	(140.30)
Interest income	318.75
Return on plan assets excluding amounts included in interest income	(30.23)
Contributions (employer and employee)	439.68
Benefits paid	(235.68)
Fair value of plan assets at the end	**4,058.50**

Amount recognised in the balance sheet consist of:

(₹ in crores)

	As at March 31, 2020
Present value of defined benefit obligation	4,076.38
Fair value of plan assets	4,058.50
	(17.88)
Effect of asset ceiling	(2.99)
Net liability	**(20.87)**

Total amount recognised in other comprehensive income for severance indemnity consists of:

(₹ in crores)

	As at March 31, 2020
Remeasurements (gains) / losses	18.03
	18.03

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

(₹ in crores)

	Year Ended March 31, 2020
Service cost	133.99
Net interest cost / (income)	(6.22)
Net periodic cost	**127.78**

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

(₹ in crores)

	For the year ended March 31, 2020
Remeasurements (gains) / losses	
Return on plan assets, (excluding amount included in net Interest expense)	30.23
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	4.57
Adjustments for limits on net asset	(16.77)
Total recognised in other comprehensive income	**18.03**
Total recognised in statement of profit and loss and other comprehensive income	**145.81**

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The assumptions used in determining the present value obligation of the Provident Fund is set out below:

(₹ in crores)

	As at March 31, 2020
Discount rate	6.90%
Expected rate of return on plan assets	8.20% to 8.60%
Remaining term to maturity of portfolio	26.91

The breakup of the plan assets into various categories as at March 31, 2020 is as follows:

Particulars	As at March 31, 2020
Central and State government bonds	44.2%
Public sector undertakings and Private sector bonds	34.1%
Others	21.7%
TOTAL	**100.0%**

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2020, the defined benefit obligation would be affected by approximately ₹168.67 crores on account of a 0.50% decrease and ₹3.87 crores on account of a 0.50% increase in the expected rate of return on plan assets.

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)

	As at March 31, 2020	As at March 31, 2019
Change in defined benefit obligation:		
Defined benefit obligation, beginning of the Year	422.33	425.63
Service cost	52.72	52.52
Interest cost	6.81	11.13
Remeasurements (gains) / losses		
Actuarial losses arising from changes in financial assumptions	12.38	36.83
Actuarial (gains) arising from changes in experience adjustments on plan liabilities	(59.87)	(21.34)
Benefits paid from plan assets	(132.92)	(73.89)
Benefits paid directly by employer	(17.43)	(8.95)
Foreign currency translation	0.73	0.40
Defined benefit obligation, end of the Year	**284.75**	**422.33**
Change in plan assets:		
Fair value of plan assets, beginning of the Year	360.07	405.36
Interest income	5.76	10.97
Remeasurements (loss)		
Return on plan assets, (excluding amount included in net Interest expense)	(1.52)	(5.99)
Employer's contributions	-	30.92
Benefits paid	(132.92)	(82.84)
Foreign currency translation	0.34	1.65
Fair value of plan assets, end of the Year	**231.72**	**360.07**

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Amount recognized in the balance sheet consist of:

	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	284.75	422.32
Fair value of plan assets	231.72	360.07
Net liability	**(53.02)**	**(62.25)**
Amounts in the balance sheet:		
Non- current liabilities	(53.02)	(62.25)

Total amount recognized in other comprehensive income for severance indemnity consists of:

	As at March 31, 2020	As at March 31, 2019
Remeasurements (gains) / losses	(101.61)	(55.64)
	(101.61)	**(55.64)**

Net severance indemnity cost consist of the following components:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Service cost	52.72	52.52
Net interest cost	1.05	0.16
Net periodic pension cost	**53.77**	**52.68**

Other changes in plan assets and benefit obligation recognized in other comprehensive income for severance indemnity plan:

	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurements (gains) / losses		
Return on plan assets, (excluding amount included in net Interest expense)	1.52	5.99
Actuarial losses arising from changes in financial assumptions	12.38	36.83
Actuarial (gains) arising from changes in experience adjustments on plan liabilities	(59.87)	(21.34)
Total recognized in other comprehensive income	**(45.97)**	**21.48**
Total recognized in statement of operations and other comprehensive income	**7.80**	**74.16**

The assumptions used in accounting for the Severance indemnity plan is set out below:

	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	1.6%	2.0%
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 ₹30.36 crores	Decrease by ₹10.43 crores
	Decrease by 1%	Increase by ₹35.58 crores	Increase by ₹14.44 crores
Salary escalation rate	Increase by 1%	Increase by ₹34.52 crores	Increase by ₹13.90 crores
	Decrease by 1%	Decrease by ₹30.12 crores	Decrease by ₹10.95 crores

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Severance indemnity plans asset allocation by category is as follows:

	As at March 31, 2020	As at March 31, 2019
Deposit with banks	100%	100%

The weighted average duration of the defined benefit obligation as at March 31, 2020 is **11.05 years** (2019 : 11.01 years)

The Company expects to contribute ₹ **12.14 crores** to the funded severance indemnity plans in FY 2020-21.

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, 2020	As at March 31, 2019
Change in defined benefit obligation:		
Defined benefit obligation, beginning of the Year	78,266.49	76,780.04
Service cost	1,198.00	1,449.05
Interest cost	1,832.79	1,981.47
Remeasurements (gains) / losses		
Actuarial (gains) arising from changes in demographic assumptions	59.49	(453.31)
Actuarial losses arising from changes in financial assumptions	(4,739.02)	4,965.37
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(1,256.32)	327.69
Past service cost/(credit)	39.66	379.90
Benefits paid	(4,908.91)	(5,657.37)
Member contributions	13.34	13.58
Foreign currency translation	2,336.63	(1,519.93)
Defined benefit obligation, end of the Year	**72,842.15**	**78,266.49**
Change in plan assets:		
Fair value of plan assets, beginning of the Year	72,240.10	72,737.89
Interest Income	1,713.91	1,904.02
Remeasurements gains / (losses)		
Return on plan assets, (excluding amount included in net Interest expense)	2,926.69	2,362.62
Employer's contributions	2,079.29	2,407.81
Members contributions	13.34	13.58
Benefits paid	(4,908.91)	(5,657.37)
Expenses paid	(141.68)	(118.65)
Foreign currency translation	2,481.68	(1,409.80)
Fair value of plan assets, end of the Year	**76,404.42**	**72,240.10**

The actual return on the schemes' assets for the year ended March 31, 2020 was ₹ **4,641.68 crores** (2019: ₹ 4,267.04 crores)

(₹ in crores)

	Pension benefits	
Amount recognized in the balance sheet consist of:	Year ended March 31, 2020	Year ended March 31, 2019
Present value of defined benefit obligation	72,842.15	78,266.49
Fair value of plan Assets	76,404.42	72,240.10
Net liability / Assets	**3,562.27**	**(6,026.39)**
Amount recognised in the balance sheet consist of:		
Non- current assets	3820.14	-
Non -current liabilities	(257.87)	(6,026.39)
Net liability / Assets	**3,562.27**	**(6,026.39)**

Total amount recognised in other comprehensive income

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Remeasurements (gains)/losses	(8,035.20)	827.34
	(8,035.20)	**827.34**

Notes Forming Part of Consolidated Financial Statements

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

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Current service cost	1,198.00	1,449.05
Past service cost/(credit)	39.66	379.90
Administrative expenses	141.68	118.65
Net interest cost/(income) (Including onerous obligations)	118.88	77.45
Net periodic pension cost	**1,498.22**	**2,025.05**

Amount recognised in other comprehensive income

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Actuarial (gains) arising from changes in demographic assumptions	59.49	(453.31)
Actuarial losses arising from changes in financial assumptions	(4,739.02)	4,965.37
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(1,256.32)	327.69
Return on plan assets, (excluding amount included in net Interest expense)	(2,926.69)	(2,362.62)
Total recognised in other comprehensive income	**(8,862.54)**	**2,477.13**
Total recognised in statement of Profit and Loss and other comprehensive income	**(7,364.32)**	**4,502.18**

The assumptions used in accounting for the pension plans are set out below:

	Pension benefits	
	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	2.4%	2.4%
Expected rate of increase in benefit revaluation of covered employees	2.0%	2.4%
RPI Inflation rate	2.6%	3.2%

Whilst salary inflation is no longer used in the calculation of the Projected Benefit Obligation or Service Cost our assumption for this, on average over the medium term, has reduced from CPI +0.5% to CPI as at March 31, 2020.

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 valuation as at March 31, 2019, 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 112% to 118% 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 112% 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 2020 year end calculations there is an allowance for future improvements in line with the CMI (2019) projections and an allowance for long-term improvements of 1.25 % per annum and Sk=7.5, (2019: CMI (2018) projections with 1.25 % per annum improvements and Sk=7.5, 2018: CMI (2017) projections with 1.25 % per annum improvements).

A past service cost of ₹ 37.41 crores has been recognised in the year ended March 31, 2020. This reflects benefit improvements for certain members as part of the Group restructuring programme. A past service cost of ₹ 392.85 crores was recognised in the year ended 31 March 2019. This reflects benefit improvements for certain members as part of the Group restructuring programme and a past service cost following a High Court ruling in October 2018. As a result of the ruling, pension schemes are required to equalise male and female members' benefits for the inequalities within guaranteed minimum pension ('GMP') earned between May 17, 1990 and April 5, 1997. The Group historically made no assumptions for the equalisation of GMP and therefore considered the change to be a plan amendment.

The assumed life expectations on retirement at age 65 are (years)

	As at March 31, 2020	As at March 31, 2019
Retiring today :		
Males	21.0	21.0
Females	23.2	23.2
Retiring in 20 years :		
Males	22.5	22.4
Females	25.2	25.1

Pension plans asset allocation by category is as follows:

(₹ in crores)

	As at March 31, 2020			As at March 31, 2019		
	Quoted*	Unquoted	Total	Quoted*	Unquoted	Total
Equity Instruments						
Information Technology	1,159.83	-	1,159.83	716.65	-	716.65
Energy	93.53	-	93.53	304.75	-	304.75
Manufacturing	654.74	-	654.74	522.30	-	522.30
Financials	420.91	-	420.91	822.41	-	822.41
Others	2,340.83	-	2,340.83	2,272.41	-	2,272.41
	4,669.84	**-**	**4,669.84**	**4,638.52**	**-**	**4,638.52**
Debt Instruments						
Government	18,183.13	-	18,183.13	22,709.35	-	22,709.35
Corporate Bonds (Investment Grade)	11,645.06	3,255.00	14,900.06	1,351.98	15,328.05	16,680.03
Corporate Bonds (Non Investment Grade)	-	7,015.10	7,015.10	-	5,547.26	5,547.26
	29,828.19	**10,270.10**	**40,098.29**	**24,061.33**	**20,875.31**	**44,936.64**
Property Funds						
UK	-	2,553.49	2,553.49	-	2,211.26	2,211.26
Other	-	2,235.48	2,235.48	-	2,076.36	2,076.36
	-	**4,788.97**	**4,788.97**	**-**	**4,287.62**	**4,287.62**
Cash and Cash equivalents	**6,344.53**	**-**	**6,344.53**	1,904.79	-	1,904.79
Other						
Hedge Funds	-	4,442.89	4,442.89	-	2,803.29	2,803.29
Private Markets	-	5,256.64	5,256.64	38.17	3,039.29	3,077.46
Alternatives	-	5,555.96	5,555.96	139.46	7,337.30	7,476.76
	-	**15,255.49**	**15,255.49**	**177.63**	**13,179.88**	**13,357.51**
Derivatives						
Foreign exchange contracts	-	(336.72)	(336.72)	-	147.82	147.82
Interest Rate and inflation	-	5,097.64	5,097.64	-	2,967.20	2,967.20
Equity protection derivatives	-	486.38	486.38	-	-	-
	-	**5,247.30**	**5,247.30**	**-**	**3,115.02**	**3,115.02**
TOTAL	**40,842.56**	**35,561.86**	**76,404.42**	**30,782.27**	**41,457.83**	**72,240.10**

* determined on the basis of quoted prices for identical assets or liabilities in active markets.

As at March 31, 2020, 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 ₹ **24,683.78 crores** at March 31, 2020 (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.

Notes Forming Part of Consolidated Financial Statements

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost
Discount rate	Increase/decrease by 0.25%	Decrease/increase by ₹ 3,647.85 crores	Decrease/increase by ₹ 65.47 crores
Inflation rate	Increase/decrease by 0.25%	Increase/decrease by ₹ 2,151.30 crores	Increase/decrease by ₹ 28.06 crores
Mortality rate	Increase/decrease by 1 year	Increase/decrease by ₹ 2,618.97 crores	Increase/decrease by ₹ 37.41 crores

Due to the economic effects of actions taken in response to the COVID-19 disease there is a higher degree of uncertainty in the valuations placed on some of the "unquoted" assets including property assets. In some cases the additional uncertainty will be small, however some managers have reported material uncertainty in their valuations. The Directors consider these valuations to be the best estimate of the valuation of these investments, but there is a higher degree of uncertainty compared to previous years.

Private Equity holdings have been measured using the most recent valuations, adjusted for cash and currency movements between the last valuation date and 31 March 2020. The latest valuations for these assets precede the negative impact of the COVID-19 pandemic on financial markets. 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 ₹ 3,198.88 crores as at 31 March 2020.

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. There is currently no additional liability over the Projected benefit obligation. The current agreed contribution rate for defined benefit accrual is 22% of pensionable salaries in the UK reflecting the 2017 benefit structure.

The average duration of the benefit obligation at March 31, 2020 is 19 years (2019: 19 years).

With the new benefit structure effective April 6, 2017, the expected net periodic pension cost for the year ended March 31, 2021 is ₹**1,309.48 crores**. The Company expects to pay ₹1,496.55 crores to its defined benefit schemes in the year ended March 31, 2021.

Deficit contributions are paid in line with the schedule of contributions at a rate of ₹ 561.21 million per year until 31 March 2024 followed by ₹233.84 million per year until 31 March 2028, although as part of JLR's response to the COVID-19 disease JLR has agreed to defer all of its contributions, payable for April, May and June 2020, until FY22. This agreement is reflected in an updated Schedule of Contributions dated 29 April 2020.

Defined contribution plan

The Company's contribution to defined contribution plans aggregated ₹**1,030.55 crores**, ₹1,186.21 crores for years ended March 31, 2020 and 2019, 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.

Notes Forming Part of Consolidated Financial Statements

As at March 31, 2020, there are matters and/or disputes pending in appeal amounting to ₹**602.77 crores**, which includes ₹**77.23 crores** in respect of equity accounted investees (₹520.48 crores, which includes ₹75.53 crores in respect of equity accounted investees as at March 31, 2019).

Customs, Excise Duty and Service Tax

As at March 31, 2020, there are pending litigations for various matters relating to customs, excise duty and service tax involving demands, including interest and penalties, of ₹**665.94 crores,** which includes ₹**1.83 crores** in respect of equity accounted investees (₹1,025.45 crores, which includes ₹5.41 crores in respect of equity accounted investees as at March 31, 2019). 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 ₹20 crores are as follows:

As at March 31, 2020, the Excise Authorities have raised a demand and penalty of ₹**268.27 crores**, (₹243.24 crores as at March 31, 2019), 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.

As at March 31, 2020, the Excise Authorities have confirmed demand & penalty totalling to ₹**90.88 crores** (₹90.88 crores as at March 31, 2019) towards vehicles allegedly sold below cost of production with an intention to penetrate the market. The matter is being contested by the Company before the Customs, Excise and Service Tax Appellate Tribunal.

The Excise Authorities had denied the Company's claim of a CENVAT credit of ₹**53.39 crores** as at March 31, 2020 (₹81.51 crores as at March 31, 2019) on various inputs services like Authorised Service Station Services, Erection, Commissioning & Installation Services, Common Services etc. claimed by the Company from financial year 2006 to 2017. The matters are being contested by the Company before the Appellate Authorities.

As at March 31, 2020, the Excise Authorities have confirmed the demand and penalty totalling to ₹**50.05 crores** (₹92.42crores as at March 31, 2019) alleging undervaluation of products sold by the Company. The matter is being contested by the Company before Appellate Authorities.

As at March 31, 2020, demand and penalty totalling to ₹**23.50 crores** (₹23.50 crores as at March 31, 2019) has been confirmed for alleged non-payment of service tax on services like Event Management Services (RCM), Authorized Service Station Services, Heat Treatment Services etc. The matter is being contested by the Company before Appellate Authorities.

The Excise Authorities are of the view that the Company had wrongly availed CENVAT credit amounting to ₹**29.00 crores** as at March 31, 2020 (₹29.00 crores as at March 31, 2019) on various input services in relation to setting up of the factory in Singur. The Department was of the contention that since no manufacturing activity had taken place in Singur, the credit cannot be availed. The matter is contested in appeal.

Sales Tax

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹**963.56 crores**, which includes ₹**9.64 crores** in respect of equity accounted investees as at March 31, 2020 (₹1,168.89 crores, which includes ₹12.40 crores in respect of equity accounted investees, as at March 31, 2019). The details of the demands for more than ₹20 crores are as follows:

The Sales Tax Authorities have raised demand of ₹**207.80 crores** (₹260.15 crores as at March 31, 2019) 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 ₹**221.77 crores** as at March 31, 2020 (₹487.96 crores as at March 31, 2019). 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.

Sales Tax demand aggregating ₹**25.25 crores** as at March 31, 2020 (₹ 80.02 crores as at March 31, 2019) has been raised by Sales Tax Authorities for non submission of Maharashtra Trial Balance. The matter is contested in appeal.

The Sales Tax Authorities have raised demand for Check Post/ Entry Tax liability at various states amounting to ₹**65.81 crores** as at March 31, 2020 (₹64.14 crores as at March 31, 2019). The Company is contesting this issue.

The Sales Tax Authorities have raised demand of ₹**148.84 crores** as at March 31, 2020 (₹ Nil as at March 31, 2019) 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.

In case of one of the joint operation entity, Fiat India Automobiles Pvt. Ltd., the Sales Tax Authorities have held back the refund of VAT on debit notes raised for Take or Pay arrangements (TOP) totaling to ₹**67.58 crores** (₹51.60 crores as at March 31, 2019) pertaining to financial years 2009-10 to 2014-15. The department is of the view that TOP is not part of sale and hence tax to be paid. The matter is contested in appeal.

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Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to ₹**723.57 crores**, which includes ₹**16.72 crores** in respect of equity accounted investees as at March 31, 2020 (₹436.08 crores, which includes ₹21.54 crores in respect of equity accounted investees, as at March 31, 2019). Following are the cases involving more than ₹20 crores:

The municipal authorities in certain states levy octroi duty (a local indirect tax) on goods brought inside the municipal limits at rates based on the classification of goods. Demands aggregating ₹**61.65 crores** as at March 31, 2020 (₹61.65 crores as at March 31, 2019) had been raised demanding higher octroi duties on account of classification disputes relating to components purchased for the manufacture of vehicles and retrospective increase in octroi rates relating to past periods. The dispute relating to classification is presently pending before the Bombay High Court and the other dispute is pending before the Hon'ble Supreme Court of India.

As at March 31, 2020, property tax amounting to ₹**109.14 crores** (₹63.81 crores as at March 31, 2019) has been demanded by the local municipal authorities in respect of vacant land of the Company in the plant in Pimpri ((including residential land), Chinchwad and Chikhali Pune. The Company had filed Special Leave Petition (SLP) before the Supreme Court against an unfavorable decision of the Bombay High Court. The Hon'ble Supreme Court had disposed of the SLP and remanded the matter back to the local municipal corporation for fresh adjudication.After fresh hearing, the municipal authority again passed the same order as it had passed earlier, which the Company has challenged before the Civil Court. The Civil Court has passed an injunction order restraining the municipal authority from taking any action of recovery.

As at March 31, 2020, Sales tax / VAT amounting to ₹**34.08 crores** (₹32.47 crores as at March 31, 2019) has been demanded by local authorities on dealers in respect of spare parts used for carrying out warranty repair The dispute is pending before the Hon'ble Supreme Court of India.

As at March 31, 2020, possession tax amounting to ₹**22.23 crores** (₹36.25 crores as at March 31, 2019) have been demanded in respect of motor vehicles in the possession of the manufacturer and the authorisation of trade certificate granted under the Central Motor Vehicle Rules, 1989. The matter is being contested before the Jharkhand High Court.

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 and Ors. Vs Regional Provident Fund Commissioner, Employees' 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.

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 ₹**12,634.91 crores**, as at March 31, 2020 (₹11,529.23 crores as at March 31, 2019), 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 ₹**259.79 crores** as at March 31, 2020, (₹567.57 crores as at March 31, 2019), 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 ₹**5,311.40 crores** as at March 31, 2020 (₹3,606.40 crores as at March 31, 2019) towards its share in the capital of the joint venture of which ₹**3,691.42 crores** (₹2,962.40 crores as at March 31, 2019) has been contributed as at March 31, 2020. As at March 31, 2020, the Company has an outstanding commitment of ₹**1,619.98 crores** (₹644.00 crores as at March 31, 2019).

The Company has contractual obligation towards Purchase Commitment for ₹**19,165.64 crores** as at March 31, 2020 (₹20,159.77 crores as on March 31, 2019).

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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 summarises the capital of the Company:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Equity*	63,087.37	63,803.79
Short-term borrowings and current portion of long-term debt	35,494.90	35,201.67
Long-term debt	83,315.62	70,973.67
Total debt	**1,18,810.52**	**1,06,175.34**
Total capital (Debt + Equity)	1,81,897.89	1,69,979.13

* Details of equity :

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Total equity as reported in balance sheet	**63,892.09**	**60,702.62**
Currency translation reserve attributable to		
- Shareholders of Tata Motors Limited	(4,874.70)	(2,552.39)
- Non-controlling interests	(35.20)	(19.86)
Hedging reserve and cost of hedge reserve	4,105.18	5,673.42
Equity as reported above	**63,087.37**	**63,803.79**

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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.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the consolidated financial statements.

(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, 2020.

(₹ in crores)

Financial assets	Cash and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Investments - Amortised cost	Finance receivables - FVTOCI	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
(a) Other investments - non-current	-	609.19	418.86	-	-	-	-	1,028.05	1,028.05
(b) Investments - current	-	-	1,506.93	9,354.61	-	-	-	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	**78,630.56**	**609.19**	**1,925.79**	**9,354.61**	**3,719.79**	**1,955.69**	**2,726.77**	**98,922.40**	**98,444.77**

(₹ in crores)

Financial liabilities	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
(a) Long-term borrowings (including current maturities of long-term borrowings) (note below)	-	-	1,02,447.99	1,02,447.99	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**	**2,04,919.48**	**2,12,455.96**	**2,03,172.29**

Note:

1 Includes ₹**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.

Notes Forming Part of Consolidated Financial Statements

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2019.

(₹ in crores)

Financial assets	Cash and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Investments - Amortised cost	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
(a) Other investments - non-current	-	741.29	752.34	3.88	-	-	1,497.51	1,497.51
(b) Investments - current	-	0.92	1,191.90	7,745.51	-	-	8,938.33	8,938.33
(c) Trade receivables	18,996.17	-	-	-	-	-	18,996.17	18,996.17
(d) Cash and cash equivalents	21,559.80	-	-	-	-	-	21,559.80	21,559.80
(e) Other bank balances	11,089.02	-	-	-	-	-	11,089.02	11,089.02
(f) Loans and advances - non-current	407.42	-	-	-	-	-	407.42	407.42
(g) Loans and advances - current	1,268.70	-	-	-	-	-	1,268.70	1,268.70
(h) Finance receivable - current	11,551.52	-	-	-	-	-	11,551.52	11,551.52
(i) Finance receivable - non-current	22,073.17	-	-	-	-	-	22,073.17	21,877.53
(j) Other financial assets - non-current	1,898.04	-	-	-	523.23	387.91	2,809.18	2,809.18
(k) Other financial assets - current	1,978.02	-	-	-	344.57	890.97	3,213.56	3,213.56
TOTAL	**90,821.86**	**742.21**	**1,944.24**	**7,749.39**	**867.80**	**1,278.88**	**1,03,404.38**	**1,03,208.74**

(₹ in crores)

Financial liabilities	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
(a) Long-term borrowings (including current maturities of long-term borrowings) (note below)	-	-	86,025.08	86,025.08	82,960.03
(b) Short-term borrowings	-	-	20,150.26	20,150.26	20,150.26
(c) Trade payables	-	-	68,513.53	68,513.53	68,513.53
(d) Acceptances	-	-	3,177.14	3,177.14	3,177.14
(e) Other financial liabilities - non-current	195.90	2,466.54	130.27	2,792.71	2,792.71
(f) Other financial liabilities - current	982.39	3,760.14	13,061.71	17,804.24	17,804.24
TOTAL	**1,178.29**	**6,226.68**	**1,91,057.99**	**1,98,462.96**	**1,95,397.91**

Notes:

1. Includes USD denominated bonds designated as cash flow hedges against forecasted USD revenue amounting to ₹**6,914.88 crores** (USD 1,000 million)
2. Includes ₹**3,458.55 crores** designated as hedged item in fair value hedge relationship . This includes a loss of ₹**44.56 crores** on account of fair value changes attributable to the hedged Interest rate risk.

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 assets 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, 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**

Reconciliation of financial assets measured at fair value using significant unobservable inputs (Level 3)	As at March 31, 2020
Balance at the beginning	738.26
Originated / purchased during the period	3,947.03
Interest accrued on FVOCI Loans	27.29
Proceeds during the period	(283.10)
Loan loss provision recognised	(16.89)
Fair value changes recognized through OCI	133.32
Fair value changes recognized through P& L	(121.59)
Foreign exchange translation difference	7.06
Balance at the end	**4,431.38**

(₹ in crores)

	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	1,948.19	-	738.26	2,686.45
(b) Derivative assets	-	2,146.68	-	2,146.68
TOTAL	**1,948.19**	**2,146.68**	**738.26**	**4,833.13**
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	7,404.97	-	7,404.97
TOTAL	**-**	**7,404.97**	**-**	**7,404.97**

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, 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**	**-**	**1,09,316.11**

(₹ in crores)

	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value				
(a) Investments	7,745.51	-	3.88	7,749.39
(b) Finance receivables	-	-	33,429.05	33,429.05
TOTAL	**7,745.51**	**-**	**33,432.93**	**41,178.44**
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including current maturities of long term borrowing)	35,285.15	47,674.88	-	82,960.03
(b) Short-term borrowings	-	20,150.26	-	20,150.26
TOTAL	**35,285.15**	**67,825.14**	**-**	**1,03,110.29**

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

Notes Forming Part of Consolidated Financial Statements

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

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, 2020 and 2019. 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.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of 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 immediately in profit or loss.

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.

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, 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	
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	**1,13,435.40**	**(6,777.14)**	**1,06,658.26**	**(3,631.46)**	**-**	**1,03,026.80**

Notes Forming Part of Consolidated Financial Statements

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, 2019:

(₹ 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	
Financial assets						
(a) Derivative financial instruments	2,146.68	-	2,146.68	(1,717.37)	-	429.31
(b) Trade receivables	19,105.24	(109.07)	18,996.17	-	-	18,996.17
(c) Cash and cash equivalents	25,433.47	(3,873.67)	21,559.80	-	-	21,559.80
TOTAL	**46,685.39**	**(3,982.74)**	**42,702.65**	**(1,717.37)**	**-**	**40,985.28**
Financial liabilities						
(a) Derivative financial instruments	7,404.97	-	7,404.97	(1,717.37)	-	5,687.60
(b) Trade payable	68,622.60	(109.07)	68,513.53	-	-	68,513.53
(c) Loans from banks/financial institutions (short-term & current maturities of long term debt)	39,075.34	(3,873.67)	35,201.67	-	-	35,201.67
TOTAL	**1,15,102.91**	**(3,982.74)**	**1,11,120.17**	**(1,717.37)**	**-**	**1,09,402.80**

(b) Transfer of financial assets

The Company transfers finance receivables in 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, if the recourse arrangement is in place. 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 along with the associated liabilities is as follows:

Nature of Asset	As at March 31, 2020		As at March 31, 2019	
	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
(a) Trade receivables	-	-	1,031.46	1,031.46
(b) Finance receivables	4,257.37[1]	4,228.24	3,033.83[1]	3,047.33

[1]Net of provision of ₹ **49.38 crores** and ₹ 38.03 crores as at March 31, 2020 and 2019 respectively.

(c) Cash flow hedges

As at March 31, 2020, the Company and its subsidiaries 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 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 and its subsidiaries 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. 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 forward exchange contracts attributable to changes in credit spread are recognised in the 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 January 1, 2018 is identified as cost of hedge and accordingly changes in fair value attributable to this is recognized in cost of hedge reserve.

Notes Forming Part of Consolidated Financial Statements

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 statement of Profit and Loss. The fair value gain/losses recorded in Hedge reserve and Cost of Hedge reserve is recognised in the statement of profit and loss when the forecasted transactions occur. The accumulated gain/losses in hedge reserve and cost of hedge reserve are expected to be recognized in statement of profit or loss during the years ending March 31, 2021 to 2024.

(₹ in crores)

	As at March 31,2020	As at March 31,2019
Fair value gain/(loss) of foreign currency derivative contracts entered for cash flow hedges of forecast sales recognized in hedging reserve	(2,926.97)	(6,045.46)
Fair value gain/(loss) of foreign currency derivative contracts entered for cash flow hedges of forecast inventory purchases recognized in hedging reserve	695.35	(1,746.28)
Fair value gain/(loss) of foreign currency bonds designated as cash flow hedges of forecast sales recognised in hedging reserve	(61.83)	(942.91)
Fair value gain/(loss) of derivatives entered for cash flow hedges of repayment of foreign currency denominated borrowings recognized in hedging reserve	(81.89)	44.60
Fair value gain/(loss) of interest rate swaps entered for cash flow hedges of payment of interest on borrowings benchmarked to LIBOR	(152.89)	(57.57)
Fair value gain/(loss) recognized in Hedging reserve	**(2,528.23)**	**(8,747.62)**
Gain/(loss) reclassified from Hedging reserve and recognized in 'Revenue from operations' in the statement of profit and loss on occurrence of forecast sales	(4,814.06)	(6,956.21)
Gain/(loss) reclassified out of Hedging reserve and recorded in Inventory in the Balance sheet on occurrence of forecast purchases	270.97	1,011.27
Gain/(loss) reclassified from Hedging reserve and recognized in 'Foreign exchange (gain)/loss (net)' in the statament of profit and loss on account of forecast transactions no longer expected to occur	14.78	(102.79)
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 recognized in hedging reserve	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	-	-
	(4,407.96)	**(6,047.73)**
Gain/(loss) on foreign currency derivatives not hedge accounted, recognized in 'Foreign exchange (gain)/loss (net)' in the statement of profit and loss	531.84	(749.80)
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	(7.52)	(133.64)
	524.32	**(883.44)**

(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.

Notes Forming Part of Consolidated Financial Statements

(a) Foreign currency exchange rate risk:

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

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 from 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. 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 a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

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, 2020:

(₹ in crores)

	U.S. dollar	Euro	Chinese Renminbi	GBP	Canadian dollar	Others [1]	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

[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, 2020:

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in increase/decrease in the Company's net income before tax by approximately **₹3,979.74 crores** for financial assets and decrease/increase in Company's net income before tax by approximately **₹9,606.50 crores** for financial liabilities respectively for the year ended March 31, 2020 and decrease/increase in the Company's other comprehensive income by approximately **₹756.28 crores** in respect of financial liabilities designated in cash flow hedges for the year ended March 31, 2020.

The following table set forth information relating to foreign currency exposure (other than risk arising from derivatives) as of March 31, 2019:

(₹ in crores)

	U.S. dollar	Euro	Chinese Renminbi	GBP	Japanese Yen	Others	Total
(a) Financial assets	22,765.97	12,594.09	1,985.31	1,600.67	339.86	,718.46	42,004.36
(b) Financial liabilities	39,089.20	32,226.04	3,850.11	5,926.98	440.59	2,828.53	84,361.45

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

Notes Forming Part of Consolidated Financial Statements

(b) Interest rate risk

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

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.

As at March 31, 2020 and 2019 financial liability of **₹45,021.15 crores** and ₹30,284.89 crores, respectively, was 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 in case of net income) of **₹450.21 crores** and ₹302.85 crores on income for the year ended March 31, 2020 and 2019, respectively.

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

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

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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

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 and its subsidiaries 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, 2020 and 2019, was **₹158.68 crores** and ₹304.31 crores, respectively. A 10% change in prices of these securities held as of March 31, 2020 and 2019, would result in an impact of **₹15.87 crores** and ₹30.43 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, 2020 and 2019, was **₹157.78 crores** and ₹423.14 crores, respectively. A 10% change in prices of these securities measured at FVTPL held as of March 31, 2020 and 2019, would result in an impact of **₹15.78 crores** and ₹42.31 crores on statement of profit and loss, respectively.

(Note: The impact is indicated on equity and profit and loss before consequential tax impact, if any).

Notes Forming Part of Consolidated Financial Statements

(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. 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 ₹ **98,304.54 crores** as at March 31, 2020 and ₹102,812.99 crores as at March 31, 2019, 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, 2020, that defaults in payment obligations will occur.

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.

Trade receivables

(₹ in crores)

	As at March 31, 2020			As at March 31, 2019		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due	8,199.18	(33.03)	8,166.15	15,089.88	(32.41)	15,057.47
(b) Overdue up to 3 months	1,980.20	(16.38)	1,963.82	3,108.65	(13.10)	3,095.55
(c) Overdue 3-6 months	363.58	(37.21)	326.37	251.69	(18.37)	233.32
(d) Overdue more than 6 months	1,743.73	(1,027.38)	716.35[1]	1,516.05	(906.22)	609.831[1]
TOTAL	**12,286.69**	**(1,114.00)**	**11,172.69**	**19,966.27**	**(970.10)**	**18,996.17**

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 **₹471.35 crores** as at March 31, 2020 (₹513.08 crores as at March 31, 2019), outstanding from state government organisations 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 on account of future with respect to certain macro economic factor like GDP growth, fuel price and inflation.

Finance receivables[2]

(₹ in crores)

	As at March 31, 2020			As at March 31, 2019		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due[3]	30,448.46	(529.04)	29,919.42	33,634.95	(608.20)	33,026.75
(b) Overdue up to 3 months	724.30	(31.43)	692.87	429.47	(19.44)	410.03
(c) Overdue more than 3 months	557.69	(90.91)	466.78	393.32	(205.41)	187.91
TOTAL	**31,730.45**	**(651.38)**	**31,079.07**	**34,457.74**	**(833.05)**	**33,624.69**

[2] Finance receivables originated in India.

[3] Allowance in the "Not due" category includes allowance against installments pertaining to impaired finance receivables which have not yet fallen due.

Notes Forming Part of Consolidated Financial Statements

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot 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 prog, 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 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 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 details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2020:

Financial liabilities

(₹ in crores)

	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	1,20,095.62	40,654.07	21,429.66	54,775.14	20,570.21	1,37,429.08
(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	**2,12,455.96**	**1,24,868.14**	**25,240.71**	**58,848.91**	**25,764.18**	**2,34,721.94**

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:

Financial liabilities

(₹ in crores)

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
Collateralised debt obligations	4,229.94	2,445.13	1,494.20	717.95	4,657.28

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2019:

Financial liabilities

(₹ in crores)

	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	71,690.67	71,690.67	-	-	-	71,690.67
(b) Borrowings and interest thereon	1,07,234.92	40,893.54	18,470.53	44,033.57	19,818.26	1,23,215.90
(c) Derivative liabilities	7,404.97	5,369.66	2,834.10	1,364.31	300.14	9,868.21
(d) Other financial liabilities	12,132.40	12,002.13	52.55	49.40	55.64	12,159.72
TOTAL	**1,98,462.96**	**1,29,956.00**	**21,357.18**	**45,447.28**	**20,174.04**	**2,16,934.50**

Notes Forming Part of Consolidated Financial Statements

The contractual maturities of such collateralised debt obligations are as follows:

Financial liabilities

(₹ in crores)

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
Collateralised debt obligations	3,047.33	1,482.42	1,013.40	551.51	3,047.33

(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 interest rate currency 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, 2020	As at March 31, 2019
(a)	Foreign currency forward exchange contracts and options	(2,463.20)	(5,242.65)
(b)	Commodity Derivatives	(639.47)	101.95
(c)	Others including interest rate and currency swaps	248.65	(117.59)
	TOTAL	**(2,854.02)**	**(5,258.29)**

The gain/(loss) on commodity derivative contracts, recognized in the statement of Profit and Loss was ₹**688.18 crores** loss and ₹84.74 crores gain for the years ended March 31, 2020 and 2019, respectively.

Foreign exchange sensitivity in respect of Company's exposure to forward and option contract:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
10% depreciation of foreign currency:		
Gain/(loss) in hedging reserve and cost of hedge reserve	5,585.17	2,316.97
Gain/(loss) in statement of Profit and loss	(1,023.32)	(675.27)
10% Appreciation of foreign currency:		
Gain/(loss) in hedging reserve and cost of hedge reserve	(5,585.77)	(2,629.28)
Gain/(loss) in statement of Profit and loss	1257.85	2,179.83

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 (loss)/gain of **₹(458.32) crores/₹458.32 crores** and ₹(479.79) crores/₹479.79 crores in the statement of profit and loss for the years ended March 31, 2020 and 2019, 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 tax 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 flow 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Foreign currency forwards						
Cash flow hedges - USD						
Sell - USD/ Buy - GBP						
<1 year	0.723	0.674	16,519.0	12,280.5	(1,466.24)	(1,584.84)
Between 1-5 years	0.765	0.699	47,686.4	15,199.4	(1,778.03)	(1,003.76)
Cash flow hedges - Chinese Yuan						
Sell - Chinese Yuan / Buy - GBP						
<1 year	0.109	0.105	14,976.2	19,295.9	(552.52)	(1,381.19)
Between 1-5 years	0.110	0.108	11,120.4	11,754.6	(186.15)	(394.63)
Cash flow hedges -Euro						
Buy - Euro / Sell - GBP						
<1 year	0.911	0.863	24,647.9	24,360.0	(4.44)	133.96
Between 1-5 years	0.910	0.907	31,651.3	28,787.8	(157.47)	(642.62)
Cash flow hedges - Other						
<1 year	0.000	0.002	8,972.7	16,289.2	493.72	17.20
Between 1-5 years	0.000	0.004	11,583.6	7,974.9	361.17	101.37
Foreign currency options						
Cash flow hedges - USD						
Sell - USD/ Buy - GBP						
<1 year	0.000	0.716	-	157.6	-	(9.96)
Between 1-5 years	0.000	0.698	-	265.8	-	(28.06)
Cash flow hedges -Euro						
Buy - Euro / Sell - GBP						
<1 year	0.000	0.966	-	806.7	-	(71.50)
Between 1-5 years	0.000	0.970	-	849.3	-	(21.72)
Cash flow hedges of foreign exchange risk on recognised debt						
Cross currency interest rate swaps						
Buy - USD / Sell - GBP						
>5 years	0.759	0.759	3,550.57	3435.78	529.50	100.47
Buy - Euro / Sell - GBP						
>5 years	0.891	0.891	4,168.04	4,033.15	29.08	(133.05)
Buy - USD / Sell - INR						
>5 years	83.520	0.000	4,488.29	-	654.99	-
Total foreign currency derivative instruments			**1,79,364.41**	**1,45,490.57**	**(2,076.39)**	**(4,918.33)**
Debt instruments denominated in foreign currency						
USD						
< 1 year		0.736	-	5,564.7	-	(6,950.58)
Total debt instruments denominated in foreign currency			**-**	**5,564.7**	**-**	**(6,950.58)**

Notes Forming Part of Consolidated Financial Statements

Cash flow hedges of interest rate risk arising on floating rate borrowings

	Average strike rate		Nominal amounts (USD in million)		Carrying value (₹ in crores)	
	As at March 31 2020	As at March 31 2019	As at March 31 2020	As at March 31 2019	As at March 31 2020	As at March 31 2019
Interest rate swaps linked to LIBOR						
>5 years	2.86%	2.86%	237.5	237.5	(219.08)	(57.57)
Total derivatives designated in hedge relationship						**(4,975.9)**
Total debt instruments designated in hedge relationship					**(2,295.5)**	**(6,950.6)**

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

Operating segments consist of :

a) Automotive: The Automotive segment consists of four reportable sub-segments: Tata Commercial Vehicles, Tata Passenger Vehicles, Jaguar Land Rover and Vehicle Financing.

b) Others: Others consist of IT services and machine tools and factory automation solutions.

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

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	For the year ended/as at March 31, 2020										
	Automotive and related activity										
	Tata and other brand vehicle[1]				Vehicle Financing	Jaguar Land Rover	Intra-segment eliminations	Total	Others	Inter-segment eliminations	Total
	Commercial vehicle	Passenger vehicle	Unallocable	Total							
Revenues:											
External revenue	36,329.44	10,481.74	144.94	46,956.12	4,295.49	2,08,040.02		2,59,291.63	1,776.34	-	2,61,067.97
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**	**2,08,040.02**	**(70.59)**	**2,59,291.63**	**3,047.07**	**(1,270.73)**	**2,61,067.97**
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/(loss) (excluding Incentives)											989.54
Finance costs (excluding pertaining to borrowings sourced by vehicle financing segment)											(4,164.02)
Foreign exchange											(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	1,87,333.67	-	2,66,702.78	2,440.21	(1,394.69)	2,67,748.30
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 tax assets (net)											1,294.85
Deferred tax assets (net)											5,457.90
Other unallocated financial assets[2]											31,117.30
Total assets											**3,22,121.26**
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)	1,27,629.15
Reconciliation to total liabilities:											
Borrowings											1,24,787.64
Current tax liabilities (net)											1,040.14
Deferred tax liabilities (net)											1,941.87
Other unallocated financial liabilities[3]											2,830.37
Total liabilities											**2,58,229.17**

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

(₹in crores)

Particulars	For the year ended/as at March 31, 2019										
	Automotive and related activity								Others	Inter-segment eliminations	Total
	Tata and other brand vehicles[1]				Vehicle Financing	Jaguar Land Rover	Intra-segment eliminations	Total			
	Commercial Vehicles	Passenger Vehicles	Unallocable	Total							
Revenues:											
External revenue	58,137.10	14,390.34	110.60	72,638.04	3,503.99	2,23,513.58	-	2,99,655.61	2,282.79	-	3,01,938.40
Inter-segment/intra-segment revenue	-	79.46	-	79.46	196.19	-	(275.65)	-	1,343.28	(1,343.28)	-
Total revenues	**58,137.10**	**14,469.80**	**110.60**	**72,717.50**	**3,700.18**	**2,23,513.58**	**(275.65)**	**2,99,655.61**	**3,626.07**	**(1,343.28)**	**3,01,938.40**
Earnings before other income (excluding incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax:	4,116.16	(1,387.79)	(362.97)	2,365.40	2,301.84	(1,278.47)	-	3,388.77	505.44	(120.18)	3,774.03
Finance costs pertaining to borrowings sourced by vehicle financing segment	-	-	-	-	(2,615.65)	-	-	(2,615.65)	-	-	(2,615.65)
Segment results	4,116.16	(1,387.79)	(362.97)	2,365.40	(313.81)	(1,278.47)	-	773.12	505.44	(120.18)	1,158.38
Reconciliation to Profit before tax:											
Other income(excluding incentives)											1,170.89
Finance costs (excluding pertaining to borrowings sourced by vehicle financing segment)											(3,142.95)
Foreign exchange gain/(loss) (net)											(905.91)
Exceptional items gain/(loss) (net)	(556.53)	(118.04)	376.07	(298.50)	-	(29,353.06)	-	(29,651.56)	-	-	(29,651.56)
Profit before tax											**(31,371.15)**
Depreciation and amortisation expense	1,664.87	1,416.15	152.43	3,233.45	18.65	20,212.58	-	23,464.68	161.71	(35.76)	23,590.63
Capital expenditure	2,120.38	3,032.46	76.35	5,229.19	71.96	31,268.07	-	36,569.22	66.45	-	36,635.67
Share of profit/(loss) of equity accounted investees (net)	-	-	41.67	41.67	(0.72)	75.37	-	116.32	93.18	-	209.50
Segment assets	26,927.43	19,446.38	1,648.49	48,022.30	38,261.58	1,70,433.61	-	2,56,717.49	2,003.74	(1,225.25)	2,57,495.98
Assets classified as held for sale	-	-	162.24	162.24	-	-	-	162.24	-	-	162.24
Investment in equity accounted investees	422.54	-	-	422.54	2.67	4,318.17	-	4,743.38	-	-	4,743.38
Investment in equity accounted investees (held for sale)	-	-	-	-	-	-	-	-	591.50	-	591.50
Reconciliation to total assets:											
Other Investments											10,435.84
Current and non-current tax assets (net)											1,208.93
Deferred tax assets (net)											5,151.11
Other unallocated financial assets[2]											27,405.55
Total assets											**3,07,194.53**
Segment liabilities	15,937.65	3,687.73	1,752.13	21,377.51	711.43	1,07,296.26	(337.65)	1,29,047.55	529.07	(252.06)	1,29,324.56
Liabilities classified as held-for-sale	-	-	-	-	-	-	-	-	-	-	-
Reconciliation to total liabilities:											
Borrowings											1,06,175.34
Current tax liabilities (net)											1,017.64
Deferred tax liabilities (net)											1,491.04
Other unallocated financial liabilities[3]											8,483.33
Total liabilities											**2,46,491.91**

1 Tata and other brand vehicles include Tata Daewoo and Fiat brand vehicles.
2 Includes interest-bearing loans and 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:

Net sales to external customers by geographic area by location of customers:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) India	47,093.49	68,087.44
(b) United States of America	52,029.47	52,472.91
(c) United Kingdom	42,442.85	49,113.81
(d) Rest of Europe	43,227.46	49,814.17
(e) China	29,820.46	30,414.75
(f) Rest of the World	46,454.24	52,035.32
TOTAL	**2,61,067.97**	**3,01,938.40**

Non-current assets (Property, plant and equipment, Intangible assets, other non-current assets and Goodwill) by geographic area:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) India	30,394.18	29,626.94
(b) United States of America	814.73	291.99
(c) United Kingdom	1,15,323.30	1,01,436.47
(d) Rest of Europe	11,331.42	9,470.80
(e) China	1,583.26	140.92
(f) Rest of the World	3,282.54	2,513.76
TOTAL	**1,62,729.43**	**1,43,480.88**

Information about product revenues:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Tata and Fiat vehicles	43,932.32	68,870.87
(b) Tata Daewoo commercial vehicles	3,058.52	3,911.66
(c) Finance revenues	4,260.30	3,399.55
(d) Jaguar Land Rover vehicles	2,08,040.02	2,23,513.58
(e) Others	1,776.81	2,242.74
TOTAL	**2,61,067.97**	**3,01,938.40**

Notes Forming Part of Consolidated Financial Statements

44. RELATED-PARTY TRANSACTIONS

The Company's related parties principally consist of 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. The Company enters into transactions for sale and purchase of products and services with its associates, joint operations and joint ventures. Transactions and balances with its own subsidiaries are eliminated on consolidation.

The following table summarizes related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2020:

(₹ in crores)

Particulars	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Pvt. Ltd., its subsidiaries and joint ventures	Total
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
Amount 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

The following table summarizes related-party transactions included in the consolidated financial statements for the year ended as/at March 31, 2019:

(₹ in crores)

Particulars	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Pvt. Ltd., its subsidiaries and joint ventures	Total
Purchase of products	2,369.10	2.46	3,940.77	202.80	6,515.13
Sale of products	328.40	2,946.55	825.32	828.10	4,928.37
Services received	46.20	1.13	-	1,866.80	1,914.13
Services rendered	21.70	765.32	6.04	116.30	909.36
Bills discounted	-	-	-	5,493.78	5,493.78
Purchase of property, plant and equipment	13.50	-	-	0.80	14.30
Purchase of Investments	7.20	-	-	-	7.20
Sale of Investments	-	-	-	533.35	533.35
Interest (income)/expense, dividend (income)/ paid, (net)	(12.40)	(199.13)	(26.22)	23.10	(214.65)
Finance given (including loans and equity)	-	5.75	-	-	5.75

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

Particulars	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Pvt. Ltd., its subsidiaries and joint ventures	Total
Finance taken (including loans and equity)	177.00	-	-	-	177.00
Finance taken, paid back (including loans and equity)	210.00	-	-	-	210.00
Amounts receivable in respect of loans and interest thereon	-	3.75	-	3.80	7.55
Amounts payable in respect of loans and interest thereon	23.00	-	-	3.60	26.60
Trade and other receivables	55.60	132.15	-	198.80	386.55
Trade payables	304.30	2.59	246.10	372.90	925.89
Acceptances	-	-	-	69.13	69.13

Details of significant transactions are given below:

Particulars	Nature of relationship	Year ended March 31, 2020	Year ended March 31, 2019
i) Services rendered			
Chery Jaguar Land Rover Automotive Company Limited	Joint ventures	959.00	765.32
ii) Bill discounted			
Tata Capital	Tata Sons Pvt. Ltd., its subsidiaries and joint arrangements	3,148.52	5,493.78
iii) Sale of Investment in a Subsidiary Company			
Tata Advanced Systems Ltd. (TASL)	Tata Sons Pvt. Ltd., its subsidiaries and joint arrangements	-	533.35
iv) Preferential allotment			
Tata Sons Pvt. Ltd.	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	3,891.85	-

Compensation of key management personnel:

(₹ in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short-term benefits	62.26	63.39
Post-employment benefits*	7.56	5.46
Share based payment	0.62	0.44

The compensation of CEO and Managing Director is **₹16.48 crores** and **₹26.32 crores** for the year ended March 31, 2020 and 2019, respectively. This amount for the year ended March 31, 2020, excludes Performance and Long Term Incentives, which will be accrued post determination and approval by the Nomination and Remuneration Committee. Remuneration for the year ended March 31, 2020 includes **₹11.82 crores** (₹Nil for the year ended March 31, 2019) of managerial remuneration which is subject to the approval of the Shareholders.

The compensation of CEO at Jaguar Land Rover is **₹40.10 crores** and ₹31.82 crores for the year ended March 31, 2020 and 2019, respectively.

* 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.

Notes Forming Part of Consolidated Financial Statements

45. EARNINGS PER SHARE ('EPS')

		Year ended March 31, 2020	Year ended March 31, 2019
(a) Profit / (Loss) for the period	₹ crores	(12,070.85)	(28,826.23)
(b) The weighted average number of Ordinary shares for Basic EPS	Nos.	2,95,23,53,090	2,88,73,48,474
(c) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,85,02,473	50,85,02,371
(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	(10,297.28)	(24,509.73)
(f) Share of profit / (loss) for 'A' Ordinary shares for Basic EPS*	₹ crores	(1,773.57)	(4,316.50)
(g) Earnings Per Ordinary share (Basic)	₹	(34.88)	(84.89)
(h) Earnings Per 'A' Ordinary share (Basic)	₹	(34.88)	(84.89)
(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)	₹	(34.88)	(84.89)
(s) Earnings Per 'A' Ordinary share (Diluted)	₹	(34.88)	(84.89)

* 'A' Ordinary Shareholders are entitled to receive dividend at 5 percentage 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, 2020 potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS. 'Warrants are considered as dilutive since the exercise price of ordinary shares is less than the average market price during the period. However, since there is a loss for the year ended March 31, 2020, potential warrants are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

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	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated (profit) or loss	Share of profit or (loss)	As % of consolidated OCI	Share of OCI	As % of total comprehensive income	Share of total comprehensive income
Parent								
Tata Motors Ltd	27.95%	17,627.70	61.75%	(7,453.98)	(3.22)%	(370.42)	1351.64%	(7,824.40)
Subsidiaries								
Indian								
TML Business Services Ltd. [name changed from Concorde Motors (India) Ltd. w.e.t 31st March 2020]	0.01%	3.51	0.02%	(2.07)	0.00%	(0.17)	0.39%	(2.24)
Tata Motors Finance Ltd	4.58%	2,887.49	(0.49)%	58.76	0.26%	29.64	(15.27)%	88.40
Tata Technologies Ltd	1.21%	761.26	(2.42)%	291.93	0.00%	(0.22)	(50.39)%	291.71
Tata Motors Insurance Broking & Advisory Services Ltd	0.06%	39.89	(0.13)%	15.48	(0.01)%	(0.98)	(2.51)%	14.51
TML Distribution Company Ltd	0.57%	360.90	0.33%	(40.20)	0.00%	0.14	6.92%	(40.06)
TMF Holdings Ltd.	6.47%	4,083.49	(0.21)%	25.56	0.00%	0.03	(4.42)%	25.59
Tata Motors Financial Solutions Ltd	2.15%	1,354.68	(0.93)%	112.11	0.01%	1.29	(19.59)%	113.40
Tata Marcopolo Motors Ltd	0.24%	149.74	(0.16)%	19.68	(0.02)%	(2.17)	(3.03)%	17.51
Jaguar Land Rover India Ltd.	0.28%	177.35	0.69%	(83.68)	(0.05)%	(5.89)	15.47%	(89.57)
Brabo Robotics and Automation Ltd. (Incorporated with effect from July 17,2019)	0.00%	0.55	0.10%	(12.50)	0.00%	0.06	2.15%	(12.45)
Foreign								
Tata Daewoo Commercial Vehicle Co. Ltd	2.97%	1,874.41	3.86%	(466.01)	0.49%	55.84	70.85%	(410.17)
Tata Motors European Technical Centre Plc	0.07%	42.12	2.20%	(266.07)	0.00%	-	45.96%	(266.07)
Tata Motors (SA) (Proprietary) Ltd	0.02%	14.51	(0.02)%	1.95	(0.02)%	(1.84)	(0.02)%	0.11
Tata Motors (Thailand) Ltd	(0.99)%	(624.53)	(0.44)%	52.98	(0.31)%	(35.31)	(3.05)%	17.68
TML Holdings Pte Ltd	14.17%	8,936.45	5.00%	(603.92)	0.00%	-	104.33%	(603.92)
Tata Hispano Motors Carrocera S.A	(1.30)%	(817.42)	0.10%	(11.59)	(0.44)%	(50.21)	10.68%	(61.80)
Tata Hispano Motors Carroceries Maghreb	(0.07)%	(44.85)	0.06%	(6.96)	(0.01)%	(1.64)	1.49%	(8.60)
Trilix S.r.l	(0.05)%	(31.80)	0.49%	(59.51)	0.01%	1.33	10.05%	(58.17)
Tata Precision Industries Pte Ltd	0.01%	3.55	(0.03)%	3.74	0.00%	0.02	(0.65)%	3.76
PT Tata Motors Indonesia	0.33%	208.11	0.02%	(2.89)	0.00%	0.45	0.42%	(2.44)
INCAT International Plc.	0.07%	46.29	(0.92)%	111.65	0.01%	1.50	(19.55)%	113.15
Tata Technologies Inc.	0.61%	387.53	(0.08)%	9.72	0.33%	38.18	(8.27)%	47.90
Tata Technologies de Mexico, S.A. de C.V.	0.01%	3.52	0.02%	(2.28)	(0.01)%	(0.95)	0.56%	(3.23)
Cambric Ltd., Bahamas	0.03%	21.18	0.00%	0.02	0.00%	-	0.00%	0.02
Cambric GmbH (in process of liquidation)	0.00%	1.68	0.00%	(0.15)	0.00%	(0.07)	0.04%	(0.22)
Tata Technolgies SRL, Romania	0.08%	52.67	(0.11)%	13.06	(0.02)%	(2.35)	(1.85)%	10.71
Tata Manufacturing Technologies (Shanghai) Co. Ltd.	0.08%	50.85	0.01%	(0.72)	0.01%	1.14	(0.07)%	0.42
Tata Technologies Europe Ltd.	1.29%	815.22	(0.84)%	100.81	0.19%	21.98	(21.21)%	122.79
Escenda Engineering AB	0.00%	1.88	0.13%	(15.77)	(0.01)%	(1.70)	3.02%	(17.47)
INCAT GmbH	0.03%	19.17	0.00%	0.05	0.01%	1.44	(0.26)%	1.49
Tata Technologies (Thailand) Ltd.	0.01%	5.00	0.04%	(5.00)	0.01%	0.65	0.75%	(4.35)
TATA Technologies Pte Ltd.	1.33%	836.43	(1.10)%	132.23	0.62%	71.19	(35.14)%	203.42
Jaguar Land Rover Automotive plc	31.46%	19,841.37	(0.32)%	38.26	0.00%	-	(6.61)%	38.26
Jaguar Land Rover Ltd.	100.25%	63,238.14	41.41%	(4,998.75)	100.66%	11,567.36	(1134.70)%	6,568.61
Jaguar Land Rover Holdings Ltd.	66.60%	42,012.83	1.79%	(216.25)	10.21%	1,173.39	(165.34)%	957.14
JLR Nominee Company Ltd.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover (South Africa) Holdings Ltd.	3.00%	1,889.39	(0.08)%	9.14	0.00%	-	(1.58)%	9.14
Jaguar Cars Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Land Rover Exports Ltd.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
The Lanchester Motor Company Ltd.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
The Daimler Motor Company Ltd.	0.02%	14.03	0.00%	-	0.00%	-	0.00%	-
S S Cars Ltd.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Daimler Transport Vehicles Ltd.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover Pension Trustees Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Cars (South Africa) (Pty) Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover Slovakia s.r.o.	8.79%	5,546.09	(0.87)%	104.72	1.65%	190.06	(50.92)%	294.78
Jaguar Racing Ltd.	0.03%	19.61	(0.04)%	4.74	0.00%	-	(0.82)%	4.74
InMotion Ventures Ltd.	(0.37)%	(234.48)	2.82%	(340.29)	0.00%	-	58.78%	(340.29)

Notes Forming Part of Consolidated Financial Statements

(₹in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated (profit) or loss	Share of profit or (loss)	As % of consolidated OCI	Share of OCI	As % of total comprehensive income	Share of total comprehensive income
Lenny Insurance Ltd. (Name changed from InMotion Ventures 1 Ltd. w.e.f. September 6, 2019)	(0.02)%	(12.56)	0.09%	(10.94)	0.00%	-	1.89%	(10.94)
InMotion Ventures 2 Ltd.	(0.06)%	(40.04)	0.19%	(23.02)	0.00%	-	3.98%	(23.02)
InMotion Ventures 3 Ltd.	(0.01)%	(7.42)	0.05%	(5.53)	0.00%	-	0.96%	(5.53)
InMotion Ventures 4 Ltd. (Incorporated w.e.f January 4, 2019)	(0.02)%	(10.56)	0.09%	(10.35)	0.00%	-	1.79%	(10.35)
Jaguar Land Rover Ireland (Services) Ltd.	0.02%	12.01	(0.04)%	4.96	0.00%	0.49	(0.94)%	5.45
Spark44 (JV) Ltd	0.13%	80.35	0.01%	(1.30)	0.01%	1.30	0.00%	(0.00)
Spark44 Ltd. (London & Birmingham, UK)	0.13%	79.17	(0.17)%	20.59	0.00%	0.36	(3.62)%	20.95
Spark44 Pty. Ltd. (Sydney, Australia)	0.01%	4.46	(0.01)%	1.50	0.00%	(0.37)	(0.19)%	1.11
Spark44 GmbH (Frankfurt, Germany)	0.03%	16.67	0.00%	(0.41)	0.00%	0.44	0.00%	0.02
Spark44 LLC (LA & NYC, USA)	0.07%	43.55	(0.01)%	1.74	0.02%	2.47	(0.73)%	4.22
Spark44 Shanghai Ltd. (Shanghai, China)	0.04%	25.63	0.01%	(0.73)	0.00%	(0.37)	0.19%	(1.09)
Spark44 DMCC (Dubai, UAE)	0.02%	14.09	(0.02)%	2.06	0.01%	0.72	(0.48)%	2.78
Spark44 Demand Creation Partners Private Ltd. (Mumbai, India)	0.00%	0.80	(0.01)%	1.22	0.00%	0.06	(0.22)%	1.27
Spark44 Singapore Pte. Ltd. (Singapore)	0.01%	3.56	0.00%	0.23	0.00%	0.01	(0.04)%	0.24
Spark44 Communications SL (Madrid, Spain)	0.01%	5.79	0.00%	0.55	0.00%	0.19	(0.13)%	0.76
Spark44 S.r.l. (Rome, Italy)	0.00%	0.16	0.00%	0.05	0.01%	1.02	(0.19)%	1.07
Spark44 Seoul Ltd. (Korea)	0.01%	4.24	(0.01)%	0.84	0.00%	(0.04)	(0.14)%	0.79
Spark44 Japan K.K. (Tokyo, Japan)	0.01%	4.30	(0.01)%	0.91	0.00%	0.27	(0.20)%	1.17
Spark44 Canada Inc (Toronto, Canada)	0.01%	6.98	(0.01)%	1.11	0.00%	(0.02)	(0.19)%	1.09
Spark44 Pty. Ltd. (South Africa)	0.00%	1.31	0.00%	0.03	0.00%	(0.24)	0.03%	(0.20)
Spark44 Colombia S.A.S. (Colombia)	0.00%	(0.68)	0.00%	(0.57)	0.00%	0.14	0.07%	(0.43)
Spark44 Taiwan Ltd. (Taiwan)	0.00%	0.61	0.00%	0.31	0.00%	0.04	(0.06)%	0.35
Ltd. Liability Company "Jaguar Land Rover" (Russia)	1.07%	677.63	(0.38)%	45.54	0.00%	-	(7.87)%	45.54
Jaguar Land Rover (China) Investment Co Ltd	25.62%	16,162.89	(5.79)%	699.16	0.00%	-	(120.78)%	699.16
Shanghai Jaguar Land Rover Automotive Services Company Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover Colombia SAS	(0.02)%	(10.54)	0.28%	(33.48)	0.00%	-	5.78%	(33.48)
Jaguar Land Rover México, S.A.P.I. de C.V.	0.06%	40.26	0.04%	(4.95)	0.00%	-	0.86%	(4.95)
Jaguar Land Rover Servicios México, S.A. de C.V.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover France SAS	0.07%	46.44	(0.48)%	58.17	0.00%	-	(10.05)%	58.17
Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	0.09%	55.33	(0.10)%	11.59	0.00%	-	(2.00)%	11.59
Jaguar Land Rover Espana SL	0.73%	461.81	(0.34)%	41.27	0.01%	0.70	(7.25)%	41.96
Jaguar Land Rover Italia Spa	1.07%	672.05	(0.74)%	89.44	0.00%	-	(15.45)%	89.44
Land Rover Ireland Ltd. (non-trading)	0.01%	4.79	(0.01)%	0.73	(0.02)%	(2.18)	0.25%	(1.44)
Jaguar Land Rover Korea Company Ltd.	0.54%	340.06	(2.27)%	274.43	0.00%	-	(47.41)%	274.43
Jaguar Land Rover Deutschland GmbH	0.87%	549.15	0.21%	(25.91)	0.00%	-	4.48%	(25.91)
Jaguar Land Rover Austria GmbH	0.12%	76.20	(0.16)%	19.44	0.00%	-	(3.36)%	19.44
Jaguar Land Rover Australia Pty Ltd.	0.50%	316.34	(0.48)%	57.46	0.00%	-	(9.93)%	57.46
Jaguar Land Rover North America, LLC.	5.22%	3,290.26	(7.06)%	852.04	0.00%	0.02	(147.19)%	852.06
Jaguar Land Rover Japan Ltd.	0.57%	356.92	(0.53)%	64.00	0.00%	-	(11.06)%	64.00
Jaguar Land Rover Canada, ULC	0.86%	544.44	(2.34)%	283.00	0.00%	-	(48.89)%	283.00
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA	1.05%	661.29	(1.02)%	122.68	0.00%	-	(21.19)%	122.68
Jaguar Land Rover Belux NV	0.12%	75.30	(0.20)%	24.67	0.00%	-	(4.26)%	24.67
Jaguar Land Rover Nederland BV	0.07%	46.08	(0.12)%	14.71	0.00%	-	(2.54)%	14.71
Jaguar Land Rover (South Africa) (Pty) Ltd.	0.08%	49.04	(0.44)%	52.57	0.00%	-	(9.08)%	52.57
Jaguar Land Rover Singapore Pte. Ltd	0.05%	28.46	(0.18)%	22.14	0.00%	-	(3.82)%	22.14
Jaguar Land Rover Taiwan Company Ltd.	0.01%	6.85	(0.25)%	29.60	0.00%	-	(5.11)%	29.60
Jaguar Land Rover Classic Deutschland GmbH	0.01%	8.96	0.00	(8.58)	0.00%	0.38	1.42%	(8.20)
Jaguar Land Rover Hungary KFT	0.01%	4.14	(0.03)%	3.70	0.00%	(0.23)	(0.60)%	3.46
Jaguar Land Rover Classic USA LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-

Notes Forming Part of Consolidated Financial Statements

(₹in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated (profit) or loss	Share of profit or (loss)	As % of consolidated OCI	Share of OCI	As % of total comprehensive income	Share of total comprehensive income
Bowler Motors Ltd. (Name changed from Jaguar Land Rover Auto Ventures Ltd. on 28 January 2020 (Incorporated w.e.f. December 13, 2019)	(0.03)%	(19.62)	0.16%	(19.22)	0.00%	-	3.32%	(19.22)
Jaguar Land Rover Ventures Ltd. (Incorporated w.e.f. May 16, 2019)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover (Ningbo) Trading Co. Ltd. (Incorporated w.e.f. November 4, 2019)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	0.03%	16.86	0.03%	(3.22)	(0.01)%	(0.80)	0.69%	(4.02)
PT Tata Motors Distribusi Indonesia	(0.07)%	(41.87)	0.31%	(37.26)	0.03%	3.28	5.87%	(33.99)
TMNL Motor Services Nigeria Ltd.	0.00%	(0.22)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Minority Interests in all subsidiaries								
Indian								
Tata Marcopolo Motors Ltd	(0.12)%	(73.12)	0.08%	(9.64)	0.01%	1.06	1.48%	(8.58)
Tata Technologies Ltd	(0.73)%	(460.85)	0.57%	(69.24)	(0.13)%	(15.30)	14.60%	(84.54)
Tata Motor Finance Ltd.	(0.40)%	(250.00)	0.00%	-	0.00%	-	0.00%	-
Foreign								
Tata Motors (SA) (Proprietary) Ltd	(0.01)%	(5.82)	0.01%	(0.78)	0.01%	0.73	0.01%	(0.04)
Tata Precision Industries Pte Ltd	0.00%	(0.78)	0.01%	(0.81)	0.00%	(0.00)	0.14%	(0.81)
Spark 44 Ltd	(0.12)%	(73.53)	0.13%	(15.14)	0.00%	-	2.62%	(15.14)
Tata Motors (Thailand) Ltd.	0.08%	50.56	0.00%	-	0.01%	1.00	(0.17)%	1.00
Joint operations								
Indian								
Fiat India Automobiles Private Ltd.	3.05%	1,924.73	(1.19)%	143.87	(0.01)%	(1.44)	(24.60)%	142.43
Tata Cummins Private Ltd	0.88%	556.65	(0.33)%	40.27	(0.06)%	(6.87)	(5.77)%	33.40
Adjustments arising out of consolidation	(220.73)%	(1,39,235.45)	2.44%	(294.34)	(11.11)%	(1,276.74)	271.39%	(1,571.06)
Sub - total (a)		**58,659.63**		**(11,070.85)**		**11,391.84**		**320.99**
Joint ventures (as per proportionate consolidation / investment as per the equity method								
Indian								
JT Special Vehicle (P) Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Tata HAL Technologies Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Loginomic Tech Solutions Private Ltd. (TruckEasy)	0.00%	0.00	0.02%	(1.94)	0.00%	-	0.33%	(1.94)
Foreign								
Chery Jaguar Land Rover Automotive Co Ltd	5.36%	3,382.63	8.42%	(1,016.32)	0.90%	103.50	157.69%	(912.83)
Sub - total (b)		**3,382.63**		**(1,018.26)**		**103.50**		**(914.77)**
Associates (Investment as per the equity method)								
Indian								
Tata AutoComp Systems Ltd	0.44%	279.35	(0.41)%	49.91	(0.03)%	(3.95)	(7.94)%	45.96
Automobile Corporation of Goa Ltd	0.23%	145.56	(0.05)%	6.42	0.00%	(0.17)	(1.08)%	6.25
Tata Hitachi Construction Machinery Company Private Ltd	0.90%	565.59	0.23%	(27.17)	0.01%	1.66	4.41%	(25.51)
Foreign								
Nita Company Ltd	0.06%	40.09	(0.02)%	2.64	0.02%	2.55	(0.90)%	5.19
Tata Precision Industries (India) Ltd	0.01%	3.91	(0.03)%	3.89	0.00%	0.02	(0.68)%	3.91
Synaptiv Ltd.	0.00%	1.46	0.00%	-	0.00%	0.05	(0.01)%	0.05

Notes Forming Part of Consolidated Financial Statements

(₹in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated (profit) or loss	Share of profit or (loss)	As % of consolidated OCI	Share of OCI	As % of total comprehensive income	Share of total comprehensive income
CloudCar Inc	0.00%	(3.06)	0.13%	(15.71)	(0.03)%	(3.62)	3.34%	(19.33)
DriveClubService Pte. Ltd.	0.00%	-	0.01%	(1.72)	0.00%	(0.02)	0.30%	(1.74)
Jaguar Cars Finance Ltd.	0.01%	3.35	0.00%	-	0.00%	0.10	(0.02)%	0.10
Sub - total (c)		**1,036.27**		**18.26**		**(3.37)**		**14.89**
Total (b + c)		**4,418.89**		**(1,000.00)**		**100.13**		**(899.88)**
Total (a + b + c)	**100.00%**	**63,078.53**	**100.00%**	**(12,070.85)**	**100.00%**	**11,491.97**	**100.00%**	**(578.88)**

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)

Particulars	Net Worth As at March 31, 2020	Total Revenue for the year ended March 31, 2020	Net Increase/ (Decrease) in Cash & Cash equivalent during 2019-2020
Subsidiaries :			
TML Business Services Limited [name changed from Concorde Motors (India) Limited]	3.51	581.09	(109.71)
Tata Motors European Technical Centre PLC	42.12	242.77	0.55
Trilix S.R.L	(31.80)	64.86	(3.11)
Tata Hispano Motors Carrocera S.A	(817.42)	0.27	0.09
PT Tata Motors Distribusi Indonesia	166.24	90.90	1.16
Tata Technologies de Mexico, S.A. de C.V.	3.52	18.42	2.15
INCAT International Plc.	46.29	-	9.08
INCAT GmbH.(under liquidation)	19.17	-	0.13
Cambric Limited	21.18	-	0.58
Cambric GmbH (under liquidation)	1.68	-	(0.38)
Total	**(545.50)**	**998.30**	**(99.46)**
For the year ended / as at March 31, 2019	10,009.83	1,548.82	181.42

(b) 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 Center PLC (TMETC) and Trilix S.r.l (Trilix). The recoverable amount of these assets were estimated to be lower than their carrying value and this resulted in an impairment charge of ₹297.49 crores and ₹55.71 crores in TMETC and Trilix, respectively during the year ended March 31, 2020.

(c) Exceptional amount of ₹**(73.04) crores** and ₹180.97 crores for the year ended March 31, 2020 and 2019, respectively, relates to provision for impairment of certain intangibles under development and capital work-in-progress.

(d) During the year ended March 31, 2019 the High Court in United Kingdom ruled that pension schemes are required to equalise male and female members benefit for the inequalities within guaranteed minimum pension (GMP) earned between May 17, 1990 and April 5, 1997. Based on this, the Company reassessed its obligations under its existing Jaguar Land Rover pension plans and recorded an additional liability of an amount of £16.5 million (₹147.93 crores) as past service costs during year ended March 31, 2019.

(e) On July 31, 2018, the Company decided to cease its current manufacturing operations of Tata Motors Thailand Ltd. Accordingly, the relevant restructuring costs of ₹**381.01 crores** have been accounted in the year ended March 31, 2019.

(f) During the year ended March 31, 2019, the Company has sold investment in TAL Manufacturing Solutions Limited to Tata Advanced Systems Ltd. (TASL).

(g) The Company has entered into an agreement for transfer of its Defence undertaking, which had a value of ₹ **209.27 crores** as at December 31, 2017 to Tata Advanced Systems Ltd. (transferee Company), for an upfront consideration of ₹**100 crores** and a future consideration of 3% of the revenue generated from identified Specialized Defence Projects for upto 15 years from the financial year ended FY 2020 subject to a maximum of ₹**1,750 crores**. The future consideration of 3% of revenue depends on future revenue to be generated from the said projects by the transferee Company. On account of the same, the Company has recognized a provision of ₹**109.27 crores**, which may get reversed in future once projects start getting executed from FY 2020 onwards. The assets related to defence undertaking are classified as "Held for Sale" as they meet the criteria laid out under Ind AS 105.

Notes Forming Part of Consolidated Financial Statements

(h) 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.

(i) Subsequent to year ended March 31, 2020

a) Tata Motors Ltd. has issued ₹1,000 crores, 8.80% Secured rated listed redeemable non-convertible debentures due 2023

b) Jaguar Land Rover signed a three year syndicated revolving loan facility for RMB 5 billion (₹5,237.94 crores) in China, which has been entirely drawn on June 12, 2020.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

Date: June 15, 2020

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

Summarised Statement of Assets and Liabilities (Consolidated)

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
WHAT THE COMPANY OWNED			
(1)	Property, plant and equipment and Other intangible assets	1,55,677.03	1,42,370.44
(2)	Right of use assets	6,275.34	-
(3)	Goodwill	777.06	747.87
(4)	Non-current Investments	5,446.94	6,240.89
(5)	Non-current Finance receivables	16,833.77	22,073.17
(6)	Deferred tax assets (net)	6,609.95	6,175.67
(7)	Other non-current assets	10,913.92	6,155.33
(8)	Current assets	1,19,587.25	1,23,431.16
	TOTAL ASSETS	**3,22,121.26**	**3,07,194.53**

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
WHAT THE COMPANY OWED			
(1)	Net worth		
	Equity share capital	719.54	679.22
	Other equity	62,358.99	59,500.34
(2)	Non-controlling interests	813.56	523.06
(3)	Non-current borrowings	83,315.62	70,817.50
(4)	Non-current provisions	14,736.69	11,854.85
(5)	Deferred tax liabilities (net)	1,941.87	1,491.04
(6)	Other non-current liabilities	17,780.94	16,871.09
(7)	Current liabilities	1,40,454.05	1,45,457.43
	TOTAL LIABILITIES	**3,22,121.26**	**3,07,194.53**

Summarised Statement of Profit and Loss (Consolidated)

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
1	**INCOME**		
	Revenue	2,58,594.36	2,99,190.59
	Other Operating Revenues	2,473.61	2,747.81
	Total revenue from operations	**2,61,067.97**	**3,01,938.40**
	Other income	2,973.15	2,965.31
	TOTAL	**2,64,041.12**	**3,04,903.71**
2	**EXPENDITURE**		
	Cost of materials consumed	1,52,671.47	1,81,009.08
	Purchase of products for sale	12,228.35	13,258.83
	Changes in inventories of finished goods, work-in-progress and products for sale	2,231.19	2,053.28
	Employee benefits expense	30,438.60	33,243.87
	Finance costs	7,243.33	5,758.60
	Foreign exchange (gain)/loss (net)	1,738.74	905.91
	Depreciation and amortisation expense	21,425.43	23,590.63
	Product development/Engineering expenses	4,188.49	4,224.57
	Other expenses	57,087.46	62,238.12
	Amount transferred to capital and other accounts	(17,503.40)	(19,659.59)
	Total Expenses	**2,71,749.66**	**3,06,623.30**
	Profit/(loss) before exceptional items and tax	**(7,708.54)**	**(1,719.59)**
	Total Exceptional items	2,871.44	29,651.56
3	**PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS**	**(10,579.98)**	**(31,371.15)**
4	Tax expense/(credit) (net)	395.25	(2,437.45)
5	**PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS (3-4)**	**(10,975.23)**	**(28,933.70)**
6	Share of profit of joint ventures and associates (net)	(1,000.00)	209.50
7	**PROFIT/(LOSS) FOR THE YEAR**	**(11,975.23)**	**(28,724.20)**
8	**TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)**	**11,504.47**	**(5,575.77)**
9	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**	**(470.76)**	**(34,299.97)**

Financial Statistics - Consolidated

Year	CAPITAL ACCOUNTS (₹ in lakhs)						REVENUE ACCOUNTS (` in lakhs)						RATIOS						
														Earnings Per Share (Basic)* (₹)		Dividend Per Share*# (₹)			
	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	Ordinary Share	'A' Ordinary Share	Ordinary Share	'A' Ordinary Share	Net Worth Per Share* (₹)	
2001-02	31,982	1,83,617	2,82,031	6,34,984	2,52,475	3,82,509	9,32,220	39,222	(18,015)	(6,740)	(10,719)	45	-1.1%	(3.95)	-	-	-	66	@
2002-03	31,983	1,90,018	1,78,965	6,48,959	2,84,038	3,64,921	11,44,801	40,190	54,350	22,640	29,712	14,497	2.6%	9.29	-	4.00	-	66	
2003-04	35,683	3,29,884	1,69,842	7,28,468	3,23,749	4,04,719	16,34,104	42,556	1,44,487	53,077	91,529	32,099	5.6%	27.88	-	8.00	-	104	@
2004-05	36,179	4,03,537	2,71,420	8,34,162	3,75,933	4,58,229	22,84,217	53,101	1,84,809	49,062	1,38,534	52,346	6.1%	38.50	-	12.50!	-	121	@
2005-06	38,287	5,74,860	3,37,914	10,27,949	4,84,356	5,43,593	27,50,725	62,331	2,34,898	64,000	1,72,809	58,439	6.3%	45.86	-	13.00	-	160	@
2006-07	38,541	7,33,626	7,30,190	12,94,083	5,42,665	7,51,418	37,07,579	68,809	3,08,800	88,321	2,16,999	68,822	5.9%	56.43	-	15.00	-	200	@
2007-08	38,554	8,31,198	11,58,487	18,92,393	6,06,049	12,86,344	40,60,827	78,207	3,08,629	85,154	2,16,770	67,674	5.3%	56.24	-	15.00	-	225	@
2008-09	51,405	5,42,659	34,97,385	69,00,238	33,26,905	35,73,333	74,89,227	2,50,677	(2,12,925)	33,575	(2,50,525)	36,458	-3.3%	(56.88)	(56.88)	6.00	6.50	114	++
2009-10	57,060	7,63,588	35,19,236	72,91,985	34,41,352	38,50,633	97,36,054	3,88,713	3,52,264	1,00,575	2,57,106	1,00,185	2.6%	48.64	49.14	15.00	15.50	144	^
2010-11	63,771	18,53,376	32,81,055	82,91,975	39,69,870	43,22,105	1,26,84,370	4,65,551	10,43,717	1,21,638	9,27,362	1,48,130	7.3%	155.25	155.75	20.00	20.50	302	^^
2011-12	63,475	32,06,375	47,14,896	1,05,72,497	49,51,247	56,21,250	1,71,33,935	5,62,538	13,53,387	(4,004)	13,51,650	1,48,862	7.9%	42.58**	42.68**	4.00**	4.10**	103	^^
2012-13	63,807	36,99,923	53,71,571	1,21,58,556	51,72,265	69,86,291	1,94,51,406	7,60,128	13,64,733	3,77,666	9,89,261	75,614	5.1%	31.02	31.12	2.00	2.10	118	@
2013-14	64,378	66,60,345	60,64,228	1,66,19,078	68,81,538	97,37,540	2,37,45,502	11,07,816	18,86,897	4,76,479	13,99,102	76,577	5.9%	43.51	43.61	2.00	2.10	204	@
2014-15	64,378	55,61,814	73,61,039	1,86,84,665	74,42,406	1,12,42,259	2,67,60,664	13,38,863	21,70,256	7,64,291	13,98,629	(3,319)	5.2%	43.44	43.54	0.00	0.00	175	
2015-16	67,918	80,10,349	70,46,849	2,16,39,756	87,54,689	1,28,85,067	2,81,07,844	17,01,418	13,98,087	2,87,260	11,02,375	11,052	3.9%	32.61	32.71	0.20	0.30	238	+++
2016-17	67,922	57,38,267	78,60,398	1,96,53,773	67,56,813	1,28,96,960	2,75,24,666	17,90,499	9,31,479	3,25,123	7,45,436	-	2.7%	21.94	22.04	-	-	171	^^^
2017-18	67,922	94,74,869	88,95,047	2,53,12,610	91,79,519	1,61,33,091	2,96,29,823	21,55,359	11,15,503	4,34,193	8,98,891	-	3.0%	26.46	26.56	-	-	281	
2018-19	67,922	59,50,034	1,06,17,534	2,63,65,294	1,21,28,250	1,42,37,044	3,04,90,371	23,59,063	(31,37,115)	(2,43,745)	(28,82,623)	-	-9.5%	(84.89)	(84.89)	-	-	177	
2019-20	71,954	62,35,899	1,18,81,052	3,07,52,494	1,45,57,257	1,61,95,237	2,64,04,112	21,42,543	(10,57,998)	39,525	(12,07,085)	-	-4.6%	(34.88)	(34.88)			182	

Notes :

@ On increased capital base due to conversion of Bonds / Convertible Debentures / Warrants / FCCN into shares.
* Equivalent to a face value of Rs.2/- per share.
# Includes Interim Dividend where applicable.
! Includes a special dividend of Rs. 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 from FY 2016-17 onwards is as per Ind AS
+++ On increased capital base due to rights issue

Summarised Statement of Assets and Liabilities (Standalone)

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
WHAT THE COMPANY OWNED			
(1)	Property, plant and equipment and Other intangible assets	28,934.11	28,474.33
(2)	Right of use assets	669.58	-
(3)	Goodwill	99.09	99.09
(4)	Non-current Investments	15,730.86	15,434.19
(5)	Deferred tax assets (net)	727.97	715.30
(6)	Other non-current assets	2,859.50	2,957.42
(7)	Current assets	13,568.76	13,229.30
	TOTAL ASSETS	**62,589.87**	**60,909.63**
WHAT THE COMPANY OWED			
(1)	Net worth		
	Equity share capital	719.54	679.22
	Other equity	17,668.11	21,483.30
(2)	Non-current borrowings	14,776.51	13,914.74
(3)	Non-current lease liabilities	522.24	5.07
(4)	Non-current provisions	1,769.74	1,281.59
(5)	Deferred tax liabilities (net)	198.59	205.86
(6)	Other non-current liabilities	1,124.32	399.04
(7)	Current liabilities	25,810.82	22,940.81
	TOTAL LIABILITIES	**62,589.87**	**60,909.63**

Summarised Statement of Profit and Loss (Standalone)

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
1	**INCOME**		
	Revenue from operations	43,928.17	69,202.76
	Other income	1,383.05	2,554.66
	TOTAL	**45,311.22**	**71,757.42**
2	**EXPENDITURE**		
	Cost of materials consumed	26,171.85	43,748.77
	Purchase of products for sale	5,679.98	6,722.32
	Changes in inventories of finished goods, work-in-progress and products for sale	722.68	144.69
	Employee benefits expense	4,384.31	4,273.10
	Finance costs	1,973.00	1,793.57
	Foreign exchange loss (net)	239.00	215.22
	Depreciation and amortisation expense	3,375.29	3,098.64
	Product development/Engineering expenses	830.24	571.76
	Other expenses	7,720.75	9,680.46
	Amount transferred to capital and other accounts	(1,169.46)	(1,093.11)
	Total Expenses	**49,927.64**	**69,155.42**
	Profit before exceptional items and tax	**(4,616.42)**	**2,602.00**
	Total Exceptional items	2,510.92	203.07
3	**PROFIT BEFORE TAX FROM CONTINUING OPERATIONS**	**(7,127.34)**	**2,398.93**
4	Tax expense/(credit) (net)	162.29	378.33
5	**PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS (3-4)**	**(7,289.63)**	**2,020.60**
6	**TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)**	**(378.72)**	**(23.43)**
7	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**	**(7,668.35)**	**1,997.17**

Financial Statistics - Standalone

	CAPITAL ACCOUNTS (₹ in lakhs)						REVENUE ACCOUNTS (₹ in lakhs)						RATIOS					
Year	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	Earnings Per Share (Basic)* (₹) Ordinary Share	Earnings Per Share (Basic)* (₹) 'A' Ordinary Share	Dividend Per Share*# (₹) Ordinary Share	Dividend Per 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	1,02,597	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	1,19,689	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	1,40,255	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	1,67,642	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	1,96,910	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	1,00,894	48,219	52,675	2,59,599	5,426	23,455	9,250	14,205	4,154	5.5%	13.69	-	4.00	-	56
1991-92	11,765	61,863	1,05,168	1,23,100	54,609	68,491	3,17,965	6,475	20,884	7,800	13,084	4,389	4.1%	12.45	-	4.00	-	67@
1992-93	12,510	64,207	1,44,145	1,53,612	61,710	91,902	3,09,156	7,456	3,030	26	3,004	3,642	1.0%	2.47	-	3.00	-	63
1993-94	12,867	70,745	1,41,320	1,77,824	70,285	1,07,539	3,74,786	9,410	10,195	20	10,175	5,020	2.7%	7.91	-	4.00	-	65
1994-95	13,694	1,28,338	1,15,569	2,17,084	81,595	1,35,489	5,68,312	11,967	45,141	13,246	31,895	8,068	5.6%	23.29	-	6.00	-	104
1995-96	24,182	2,17,400	1,28,097	2,94,239	96,980	1,97,259	7,90,967	16,444	76,072	23,070	53,002	14,300	6.7%	21.92	-	6.00	-	100
1996-97	25,588	3,39,169	2,53,717	3,85,116	1,17,009	2,68,107	10,12,843	20,924	1,00,046	23,810	76,236	22,067	7.5%	30.40	-	8.00	-	143
1997-98	25,588	3,49,930	3,30,874	4,87,073	1,41,899	3,45,174	7,36,279	25,924	32,880	3,414	29,466	15,484	4.0%	11.51	-	5.50	-	147
1998-99	25,590	3,50,505	3,44,523	5,69,865	1,65,334	4,04,531	6,59,395	28,132	10,716	970	9,746	8,520	1.5%	3.81	-	3.00	-	147
1999-00	25,590	3,49,822	3,00,426	5,81,233	1,82,818	3,98,415	8,96,114	34,261	7,520	400	7,120	7,803	0.8%	2.78	-	2.50	-	147
2000-01	25,590	2,99,788	2,99,888	5,91,427	2,09,067	3,82,360	8,16,422	34,737	(50,034)	-	(50,034)	-	-	(18.45)	-	-	-	127
2001-02	31,982	2,14,524	2,30,772	5,91,006	2,43,172	3,47,834	8,91,806	35,468	(10,921)	(5,548)	(5,373)	-	-	(1.98)	-	-	-	77@
2002-03	31,983	2,27,733	1,45,831	6,08,114	2,71,307	3,36,807	10,85,874	36,213	51,037	21,026	30,011	14,430	2.8%	9.38	-	4.00	-	81
2003-04	35,683	3,23,677	1,25,977	6,27,149	3,02,369	3,24,780	15,55,242	38,260	1,29,234	48,200	81,034	31,825	5.2%	24.68	-	8.00	-	102@
2004-05	36,179	3,74,960	2,49,542	7,15,079	3,45,428	3,69,651	20,64,866	45,016	1,65,190	41,495	1,23,695	51,715	6.0%	34.38	-	12.50!	-	114@
2005-06	38,287	5,15,420	2,93,684	8,92,274	4,40,151	4,52,123	24,29,052	52,094	2,05,338	52,450	1,52,888	56,778	6.3%	40.57	-	13.00	-	145@
2006-07	38,541	6,48,434	4,00,914	11,28,912	4,89,454	6,39,458	32,06,467	58,629	2,57,318	65,972	1,91,346	67,639	6.0%	49.76	-	15.00	-	178@
2007-08	38,554	7,45,396	6,28,052	15,89,579	5,44,352	10,45,227	33,57,711	65,231	2,57,647	54,755	2,02,892	65,968	6.0%	52.64	-	15.00	-	203@
2008-09	51,405	11,71,610	13,16,556	20,85,206	6,25,990	14,59,216	29,49,418	87,454	1,01,376	1,250	1,00,126	34,570	3.4%	22.70	23.20	6.00	6.50	238++
2009-10	57,060	14,39,487	16,59,454	23,64,896	7,21,292	16,43,604	40,21,755	1,03,387	2,82,954	58,946	2,24,008	99,194	5.6%	42.37	42.87	15.00	15.50	262^
2010-11	63,771	19,37,559	15,91,543	25,68,235	8,46,625	17,21,610	51,60,692	1,36,077	2,19,652	38,470	1,81,182	1,46,703	3.5%	30.28	30.78	20.00	20.50	315^^
2011-12	63,475	18,99,126	15,88,057	29,02,206	9,96,587	19,05,619	59,79,502	1,60,674	1,34,103	9,880	1,24,223	1,46,372	2.1%	3.90**	4.00**	4.00**	4.10**	62
2012-13	63,807	18,49,677	16,79,895	31,81,998	11,61,144	20,20,854	51,40,793	1,81,762	17,493	(12,688)	30,181	72,423	0.6%	0.93	1.03	2.00	2.10	60@
2013-14	64,378	18,53,287	15,05,280	35,14,652	13,55,088	21,59,564	41,59,103	2,07,030	(1,02,580)	(1,36,032)	33,452	74,196	0.8%	1.03	1.13	2.00	2.10	60@
2014-15	64,378	14,21,881	21,13,441	37,85,500	16,03,098	21,82,402	41,41,264	2,60,322	(3,97,472)	76,423	(4,73,895)	-	-11.4%	(14.72)	(14.72)	-	-	46
2015-16	67,918	21,68,890	15,88,725	40,77,235	18,52,749	22,24,486	48,77,959	2,45,375	15,039	(8,384)	23,423	7,300	0.5%	0.68	0.78	0.20	0.30	66+++
2016-17	67,922	20,12,993	19,57,398	45,91,464	18,53,922	27,37,542	50,07,925	2,96,939	(2,42,077)	5,922	(2,47,999)	-	-5.0%	(7.30)	(7.30)	-	-	61^^^
2017-18	67,922	19,49,176	18,46,384	48,26,322	21,56,196	26,70,126	61,18,229	3,10,189	(94,692)	8,793	(1,03,485)	-	-1.7%	(3.05)	(3.05)	-	-	59
2018-19	67,922	21,48,330	18,63,963	51,58,440	23,11,007	28,47,433	71,75,742	3,09,864	2,39,893	37,833	2,02,060	-	2.8%	5.94	6.04	-	-	65
2019-20	71,954	17,66,811	25,44,477	56,14,576	26,54,207	29,60,369	45,31,122	3,37,529	(7,12,734)	16,229	(7,28,963)	-	-16.1%	(21.06)	(21.06)	-	-	51

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.

+ 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 from previous years are not comparable

^^^ The figures from FY 2016-17 onwards is as per Ind AS with Joint operation

+++ On increased capital base due to rights issue

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

(₹ in crores)

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	(240.66)	291.51	287.99	835.79	10.88	12.94	(2.07)	(2.07)	13.64	-	100.00
2	Tata Motors Finance Ltd (Name changed from Sheba Properties Limited w.e.f. June 30, 2017) (subsidiary w.e.f January 24, 1989)	India	INR	1.00	858.28	2,029.21	31,744.01	28,856.52	3,581.88	28.81	(29.95)	58.76	58.76	-	431.03	100.00
3	Tata Daewoo Commercial Vehicle Co. Ltd (subsidiary w.e.f March 30, 2004)	South Korea	KRW	0.06	57.57	1,816.84	3,684.66	1,810.25	3,232.78	(597.38)	(131.37)	(466.01)	(466.01)	-	-	100.00
4	Tata Technologies Ltd (subsidiary w.e.f September 10, 1997)	India	INR	1.00	41.80	1,794.43	2,563.43	727.19	2,842.85	392.04	140.42	251.62	251.62	-	36.05	72.48
5	Tata Motors Insurance Broking & Advisory Services Ltd (subsidiary w.e.f October 21, 2004)	India	INR	1.00	5.00	34.89	99.04	59.15	198.07	20.98	5.50	15.48	15.48	-	37.35	100.00
6	Tata Motors European Technical Centre Plc (subsidiary w.e.f September 1, 2005)	UK	GBP	93.53	474.57	(432.45)	180.07	137.94	252.25	(258.42)	7.66	(266.07)	(266.07)	-	-	100.00
7	TML Distribution Company Ltd (subsidiary w.e.f March 28, 2008)	India	INR	1.00	225.00	135.90	409.53	48.63	79.70	(6.43)	33.77	(40.20)	(40.20)	-	114.71	100.00
8	Tata Motors (SA) (Proprietary) Ltd (subsidiary w.e.f December 5, 2007)	South Africa	ZAR	4.23	12.98	1.53	220.53	206.02	150.12	2.73	0.78	1.95	1.95	-	-	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	1,778.28	2,305.21	6,935.54	2,852.04	104.45	23.58	(1.98)	25.56	25.56	-	53.02	100.00
10	Tata Motors Financial Solutions Ltd (subsidiary w.e.f January 19, 2015)	India	INR	1.00	1,700.50	(345.82)	6,334.19	4,979.51	640.11	132.69	20.57	112.11	112.11	-	869.38	100.00
11	Tata Marcopolo Motors Ltd (subsidiary w.e.f September 20, 2006)	India	INR	1.00	170.00	(20.26)	451.03	301.29	643.40	20.09	0.41	19.68	19.68	-	-	51.00
12	Tata Motors (Thailand) Ltd (subsidiary w.e.f February 28, 2008)	Thailand	THB	2.30	985.45	(1,609.98)	189.32	813.86	270.46	52.98	-	52.98	52.98	-	-	97.17
13	TML Holdings Pte Ltd, Singapore (subsidiary w.e.f February 4, 2008)	Singapore	GBP	93.53	12,691.10	(3,754.64)	17,509.42	8,572.97	-	(603.62)	0.31	(603.92)	(603.92)	-	187.07	100.00
14	Tata Hispano Motors Carrocera S.A (subsidiary w.e.f October 16, 2009)	Spain	EUR	82.78	2.88	(820.30)	15.71	833.12	0.44	(11.59)	-	(11.59)	(11.59)	-	-	100.00
15	Tata Hispano Motors Carroceries Maghreb (subsidiary w.e.f June 23, 2014)	Morocco	MAD	7.46	146.30	(191.15)	39.78	84.63	0.03	(6.96)	-	(6.96)	(6.96)	-	-	100.00
16	Trilix S.r.l (subsidiary w.e.f October 4, 2010)	Italy	EUR	82.78	0.61	(32.42)	18.84	50.65	64.86	(54.30)	5.21	(59.51)	(59.51)	-	-	100.00
17	Tata Precision Industries Pte Ltd (subsidiary w.e.f February 15, 2011)	Singapore	SGD	52.89	41.56	(38.01)	4.18	0.63	-	3.74	-	3.74	3.74	-	-	78.39
18	PT Tata Motors Indonesia (subsidiary w.e.f December 29, 2011)	Indonesia	IDR	0.00	287.64	(79.53)	216.18	8.07	-	(2.91)	(0.02)	(2.89)	(2.89)	-	-	100.00
19	Brabo Robotics and Automation Limited (Incorporated with effect from July 17,2019)	India	INR	1.00	9.90	(9.34)	33.61	33.05	6.29	(12.50)	-	(12.50)	(12.50)	-	-	100.00
20	INCAT International Plc. (subsidiary w.e.f October 3, 2005)	UK	GBP	93.53	2.27	44.02	48.12	1.83	119.27	119.02	0.34	118.68	118.68	-	-	72.48
21	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	75.63	905.29	(472.08)	579.70	146.49	892.12	36.79	26.42	10.37	10.37	-	-	72.48
22	Tata Technologies de Mexico, S.A. de C.V. (subsidiary w.e.f October 3, 2005)	Mexico	MXN	3.18	0.56	2.62	12.57	9.39	16.03	(1.04)	0.95	(1.99)	(1.99)	-	-	72.48

(₹ in crores)

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
23	Cambric Limited, Bahamas (subsidiary w.e.f May 1, 2013)	Bahamas	USD	75.63	20.42	0.76	21.18	-	0.03	0.02	-	0.02	0.02	-	-	72.48
24	Cambric GmbH (subsidiary w.e.f May 1, 2013)	Germany	EUR	82.78	0.21	1.59	1.81	0.01	-	(0.15)	-	(0.15)	(0.15)	-	-	72.48
25	Tata Technologies SRL, Romania (erstwhile Cambric Consulting SRL was renamed w.e.f February 4, 2015) (subsidiary w.e.f May 1, 2013)	Romania	RON	17.10	5.26	32.10	44.23	6.87	71.22	13.26	2.11	11.15	11.15	-	-	72.48
26	Tata Manufacturing Technologies Consulting (Shanghai) Limited .(subsidiary w.e.f March 10, 2014)	China	CNY	10.62	3.27	45.84	72.35	23.24	99.25	3.86	1.92	1.94	1.94	-	-	72.48
27	Tata Technologies Europe Limited (subsidiary w.e.f October 3, 2005)	UK	GBP	93.53	0.10	835.90	1,188.75	352.75	916.16	130.51	24.20	106.31	106.31	-	-	72.48
28	Escenda Engineering AB (Tata Technologies Europe Limited acquired 100% stake in the company w.e.f. May 1, 2017)	Sweden	SEK	7.44	0.16	0.96	66.29	65.18	98.95	(20.91)	(4.27)	(16.64)	(16.64)	-	-	72.48
29	INCAT GmbH (subsidiary w.e.f October 3, 2005)	Germany	EUR	82.78	1.36	17.82	19.44	0.27	0.33	0.33	-	0.33	0.33	-	-	72.48
30	Tata Technologies (Thailand) Limited (subsidiary w.e.f October 10, 2005)	Thailand	THB	2.30	8.11	(3.12)	9.28	4.30	12.64	(4.91)	0.02	(4.94)	(4.94)	-	-	72.48
31	TATA Technologies Pte Ltd. (subsidiary w.e.f December 7, 2005)	Singapore	USD	75.63	408.39	428.04	867.13	30.70	65.89	144.13	0.26	143.87	143.87	-	-	72.48
32	Jaguar Land Rover Automotive plc (subsidiary w.e.f June 2, 2008)	UK	GBP	93.53	14,039.54	5,565.31	69,075.30	49,470.45	-	(180.26)	9.01	(189.27)	(189.27)	-	-	100.00
33	Jaguar Land Rover Limited (previously Jaguar Cars Limited) (subsidiary w.e.f June 2, 2008)	UK	GBP	93.53	33,307.67	19,305.54	2,12,473.20	1,59,859.98	1,78,898.44	(5,353.70)	(369.53)	(4,984.17)	(4,984.17)	-	33,007.34	100.00
34	Jaguar Land Rover Holdings Limited(formally known as Land Rover) (subsidiary w.e.f June 2, 2008)	UK	GBP	93.53	46.77	42,617.17	51,606.78	8,942.84	-	(165.84)	(7.21)	(158.63)	(158.63)	-	-	100.00
35	JLR Nominee Company Limited (Formally known as Jaguar Land Rover Exports Limited, formerly Jaguar Cars Exports Limited) (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	93.53	-	-	-	-	-	-	-	-	-	-	-	100.00
36	Jaguar Land Rover (South Africa) Holdings Limited (subsidiary w.e.f February 2, 2009)	UK	ZAR	4.23	0.00	1,177.26	1,210.68	33.42	-	73.53	7.21	66.32	66.32	-	-	100.00
37	Jaguar Cars Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	93.53	-	-	-	-	-	-	-	-	-	-	-	100.00
38	Land Rover Exports Limited (Business transferred to Jaguar Land Rover Exports Ltd) (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	93.53	-	-	-	-	-	-	-	-	-	-	-	100.00
39	The Lanchester Motor Company Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	93.53	-	-	-	-	-	-	-	-	-	-	-	100.00
40	The Daimler Motor Company Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	93.53	14.03	-	14.03	-	-	-	-	-	-	-	-	100.00
41	S S Cars Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	93.53	-	-	-	-	-	-	-	-	-	-	-	100.00
42	Daimler Transport Vehicles Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	93.53	-	-	-	-	-	-	-	-	-	-	-	100.00
43	Jaguar Land Rover Pension Trustees Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	93.53	-	-	-	-	-	-	-	-	-	-	-	100.00
44	Jaguar Cars (South Africa) (Pty) Ltd (subsidiary w.e.f June 2, 2008) (dormant)	South Africa	ZAR	4.23	824.89	352.38	1,210.68	33.42	-	73.53	7.21	66.32	66.32	-	-	100.00
45	Jaguar Land Rover Slovakia s.r.o. (JLRHL 0.01% and JLRL 99.99%)	Slovakia	EUR	82.78	5,174.10	323.38	10,056.47	4,558.99	2,140.71	104.48	-	104.48	104.48	-	-	100.00

(₹ in crores)

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
46	Jaguar Racing Limited (Incorporated w.e.f. February 2, 2016) (subsidiary w.e.f February 2, 2016)	UK	GBP	93.53	-	14.92	44.08	29.16	125.84	4.26	0.81	3.45	3.45	-	-	100.00
47	InMotion Ventures Limited (Incorporated w.e.f. March 18, 2016) (subsidiary w.e.f March 18, 2016)	UK	GBP	93.53	-	(228.22)	363.85	592.07	-	(337.99)	(31.55)	(306.44)	(306.44)	-	3,486.83	100.00
48	InMotion Ventures 1 Limited	UK	GBP	93.53	-	(12.16)	-	12.16	-	(10.82)	-	(10.82)	(10.82)	-	-	100.00
49	InMotion Ventures 2 Limited	UK	GBP	93.53	-	(40.22)	29.93	70.15	6.31	(22.53)	-	(22.53)	(22.53)	-	-	100.00
50	InMotion Ventures 3 Limited	UK	GBP	93.53	-	(7.48)	28.06	35.54	2.70	(5.41)	-	(5.41)	(5.41)	-	-	100.00
51	InMotion Ventures 4 Limited (Incorporated w.e.f January 4, 2019)	UK	GBP	93.53	-	(10.29)	-	10.29	0.90	(9.91)	-	(9.91)	(9.91)	-	-	100.00
52	Land Rover Ireland (Services) Limited	UK	EUR	82.78	-	14.07	308.79	294.71	189.89	7.88	0.79	7.09	7.09	-	-	100.00
53	Spark44 (JV) Ltd (Shareholding changed from 50% to 50.50% w.e.f. August 31, 2017)	UK	GBP	93.53	23.38	156.20	364.78	185.20	1,078.85	32.45	9.01	23.43	23.43	-	925.49	50.50
54	Spark44 Limited (London & Birmingham)	UK	GBP	93.53	-	77.63	169.30	91.66	528.16	23.43	4.51	18.93	18.93	-	-	50.50
55	Spark44 Pty Ltd (Sydney)	Australia	AUD	45.91	-	4.59	6.43	1.84	18.37	1.93	0.48	1.45	1.45	-	-	50.50
56	Spark44 GmbH (Frankfurt)	Germany	EUR	82.78	-	16.56	39.74	23.18	115.03	2.36	0.79	1.58	1.58	-	-	50.50
57	Spark44 LLC (LA & NYC)	USA	USD	75.63	-	43.11	53.70	10.59	163.75	2.84	0.71	2.13	2.13	-	-	50.50
58	Spark44 Limited (Shanghai)	China	CNY	10.62	1.06	24.11	57.58	32.40	97.75	(1.12)	-	(1.12)	(1.12)	-	-	50.50
59	Spark44 Middle East DMCC (Dubai)	UAE	USD	75.63	-	51.43	70.33	18.91	90.73	7.80	-	7.80	7.80	-	-	50.50
60	Spark44 Demand Creation Partners Pte Ltd (Mumbai)	India	INR	1.00	2.00	(1.20)	2.82	2.02	9.33	1.22	-	1.22	1.22	-	-	50.50
61	Spark44 Pte Ltd (Singapore)	Singapore	SGD	52.89	-	3.70	4.76	1.06	6.20	-	-	-	-	-	-	50.50
62	Spark44 Communicacions SL (Madrid)	Spain	EUR	82.78	-	5.79	10.76	4.97	44.91	0.79	-	0.79	0.79	-	-	50.50
63	Spark44 SRL (Rome)	Italy	EUR	82.78	-	-	6.62	6.62	26.00	-	-	-	-	-	-	50.50
64	Spark44 Limited (Seoul)	Korea	KRW	0.06	0.62	3.55	5.78	1.62	9.38	0.90	0.09	0.82	0.82	-	-	50.50
65	Spark44 K.K. (Tokyo)	Japan	JPY	0.69	0.35	3.92	6.09	1.83	19.57	1.23	0.33	0.91	0.91	-	-	50.50
66	Spark44 Canada Inc (Toronto)	Canada	CAD	52.93	-	6.88	10.59	3.71	29.32	1.60	0.53	1.07	1.07	-	-	50.50
67	Spark44 South Africa (Pty) Limited	South Africa	ZAR	4.23	-	1.31	4.61	3.30	5.62	-	-	-	-	-	-	50.50
68	Spark44 Colombia S.A.S (Colombia) (Incorporated w.e.f. May 10,2018)	Colombia	COP	0.02	0.00	(0.68)	1.41	2.09	3.46	(0.52)	(0.03)	(0.48)	(0.48)	-	-	50.50
69	Spark44 Taiwan Limited (Taiwan) (Incorporated w.e.f. May 7,2018)	Taiwan	TWD	2.49	0.02	0.57	2.07	1.47	6.42	0.37	0.07	0.30	0.30	-	-	50.50
70	Limited Liability Company Jaguar Land Rover (Russia) (incorporated on 25-5-2008) (subsidiary w.e.f May 15, 2009)	Russia	RUB	0.97	63.47	671.07	1,393.74	659.20	5,858.20	282.07	62.95	219.13	219.13	-	-	100.00
71	Jaguar Land Rover (China) Investment Co Ltd (previously Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd) (subsidiary w.e.f June 2, 2008)	China	CNY	10.62	71.18	13,626.22	20,847.44	7,150.04	31,365.73	818.56	296.93	521.63	521.63	-	18,298.62	100.00
72	Shanghai Jaguar Land Rover Automotive Service Co. Ltd (subsidiary w.e.f March 10, 2014)	China LRE	CNY	10.62	17.00	(24.35)	43.91	51.27	35.96	1.76	1.05	0.71	0.71	-	-	100.00
73	Jaguar Land Rover Colombia SAS (subsidiary w.e.f August 22, 2016)	Colombia	COP	0.02	6.72	(38.80)	129.88	161.95	115.46	(19.88)	(5.05)	(14.82)	(14.82)	-	-	100.00
74	Jaguar Landrover Mexico S.A.P I de C.V	Mexico	MXN	3.18	12.23	30.81	262.28	219.24	702.51	11.44	5.24	6.20	6.20	-	-	100.00
75	Jaguar Landrover Services Mexico S.A C.V	Mexico	MXN	3.18	0.02	0.93	4.27	3.33	16.26	0.34	0.30	0.05	0.05	-	-	100.00
76	Jaguar Land Rover France SAS (subsidiary w.e.f February 1, 2009)	France	EUR	82.78	34.79	40.77	1,151.21	1,075.64	6,404.32	56.26	19.92	36.35	36.35	-	-	100.00
77	Jaguar Land Rover Portugal-Veiculos e Pecas, Lda. (subsidiary w.e.f June 2, 2008)	Portugal	EUR	82.78	11.01	43.88	224.09	169.19	579.93	12.77	3.06	9.71	9.71	-	-	100.00

(₹ in crores)

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
78	Jaguar Land Rover Espana SL (merged company following the absorption of Jaguar Hispania, S.L.U by Land Rover Espana, S.L.U) (formerly known as Land Rover Espana SL) (subsidiary w.e.f June 2, 2008)	Spain	EUR	82.78	365.68	99.04	1,309.96	845.24	3,309.69	33.31	9.12	24.19	24.19	-	-	100.00
79	Jaguar Land Rover Italia SpA (subsidiary w.e.f June 2, 2008)	Italy	EUR	82.78	538.10	138.35	2,884.73	2,208.30	8,909.96	88.92	26.59	62.32	62.32	-	-	100.00
80	Land Rover Ireland Limited - (no longer a trading NSC) (subsidiary w.e.f June 2, 2008)	Ireland	EUR	82.78	-	12.27	15.91	3.64	-	0.17	-	0.17	0.17	-	-	100.00
81	Jaguar Land Rover Korea Co. Ltd. (subsidiary w.e.f June 2, 2008)	Korea	KRW	0.06	36.86	299.98	2,449.75	2,112.92	4,050.56	382.33	90.30	292.03	292.03	-	-	100.00
82	Jaguar Land Rover Deutschland GmbH (subsidiary w.e.fJune 2, 2008)	Germany	EUR	82.78	21.19	309.20	3,694.11	3,363.72	11,244.44	130.79	66.53	64.26	64.26	-	-	100.00
83	Jaguar Land Rover Austria GmbH (subsidiary w.e.f June 2, 2008)	Austria	EUR	82.78	1.93	69.04	506.50	435.54	1,629.96	17.38	4.50	12.88	12.88	-	-	100.00
84	Jaguar Land Rover Australia Pty Limited (subsidiary w.e.f June 2, 2008)	Australia	AUD	45.91	3.21	300.07	1,984.22	1,680.93	4,025.31	89.62	26.74	62.88	62.88	-	-	100.00
85	Jaguar Land Rover North America, LLC. (subsidiary w.e.f June 2, 2008)	USA	USD	75.63	1,189.62	1,943.57	14,687.18	11,553.99	53,959.53	805.23	185.30	619.94	619.94	-	-	100.00
86	Jaguar Land Rover Japan Limited (subsidiary w.e.f October 1, 2008)	Japan	JPY	0.69	276.58	37.16	1,058.20	744.47	3,063.00	47.30	17.15	30.15	30.15	-	-	100.00
87	Jaguar Land Rover Canada, ULC (subsidiary w.e.f June 2, 2008)	Canada	CAD	52.93	-	367.11	2,239.55	1,872.44	6,260.09	61.79	16.33	45.46	45.46	-	-	100.00
88	Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA (subsidiary w.e.f June 2, 2008)	Brazil	BRL	14.51	895.02	(668.32)	1,876.53	1,649.83	2,761.87	28.61	24.54	4.07	4.07	-	-	100.00
89	Jaguar Land Rover Belux N.V. (subsidiary w.e.f June 2, 2008)	Belgium	EUR	82.78	10.35	63.49	1,140.90	1,067.06	3,606.41	36.13	13.64	22.49	22.49	-	-	100.00
90	Jaguar Land Rover Nederland BV (subsidiary w.e.f June 2, 2008)	Holland	EUR	82.78	0.37	41.44	390.60	348.78	1,375.87	12.97	3.13	9.84	9.84	-	-	100.00
91	Jaguar Land Rover (South Africa) (Pty) Limited (subsidiary w.e.f June 2, 2008)	South Africa	ZAR	4.23	0.00	104.17	714.09	609.92	2,020.21	133.26	41.84	91.42	91.42	-	-	100.00
92	Jaguar Land Rover India Limited (subsidiary w.e.f October 25, 2012)	India	INR	1.00	280.25	(104.36)	786.36	610.47	1,500.39	(67.10)	15.54	(82.64)	(82.64)	-	-	100.00
93	Jaguar Land Rover Singapore Pte. Ltd (incorporated w.e.f November 25,2015)(subsidiary w.e.f November 25, 2015)	Singapore	SGD	52.89	3.97	20.05	210.31	186.30	275.12	21.84	1.35	20.49	20.49	-	-	100.00
94	Jaguar Land Rover Taiwan Company Pte. Ltd	Taiwan	TWD	2.49	9.59	(0.96)	453.52	444.88	976.96	31.36	0.12	31.24	31.24	-	-	100.00
95	Jaguar Land Rover Classic Deutschland GmbH (Incorporated w.e.f. August 10,2018)	Germany	EUR	82.78	20.70	(11.59)	14.90	5.79	12.53	(7.88)	-	(7.88)	(7.88)	-	-	100.00
96	Jaguar Land Rover Hungary KFT (Incorporated w.e.f July 30, 2018)	Hungary	HUF	0.23	0.07	5.36	88.77	83.34	85.77	5.68	0.60	5.09	5.09	-	-	100.00
97	Jaguar Land Rover Classic USA LLC (Incorporated w.e.f June 1, 2018) (dormant)	USA	USD	75.63	-	-	-	-	-	-	-	-	-	-	-	100.00
98	TMNL Motor Services Nigeria Ltd (incorporated w.e.f September 2, 2015)(subsidiary w.e.f September 2, 2015)	Nigeria	NGN	0.20	0.33	(0.56)	0.02	0.25	-	(0.01)	-	(0.01)	(0.01)	-	-	100.00
99	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd. (subsidiary w.e.f April 9, 2010)	South Korea	KRW	0.06	4.00	12.86	74.88	58.02	164.30	(3.64)	(0.42)	(3.22)	(2.42)	-	-	100.00
100	PT Tata Motors Distribusi Indonesia (subsidiary w.e.f February 11, 2013)	Indonesia	IDR	0.00	214.95	(256.82)	105.81	147.68	91.03	(37.16)	0.10	(37.26)	(37.26)	-	-	100.00

(₹ in crores)

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
	Details of Direct subsidiaries, on consolidated basis including their respective subsidiaries included above :															
1	Tata Technologies Limited (subsidiary w.e.f September 10, 1997)				41.80	1,794.43	2,563.43	727.19	2,842.85	392.04	140.42	251.62	251.62	-	36.05	72.48
2	Tata Motors Holdings Finance Ltd (Name changed from Tata Motors Finance Limited w.e.f. June 17, 2017) (subsidiary w.e.f June 1, 2006)				2,269.01	8.18	37,768.98	35,491.78	4,295.94	84.24	10.92	73.32	73.32	-	1,353.43	100.00
3	PT Tata Motors Indonesia (subsidiary w.e.f December 29, 2011)				254.85	(301.85)	105.21	152.20	95.59	(38.66)	(0.31)	(38.34)	(38.34)	-	-	100.00
	TML Holdings Pte Ltd, Singapore holds fully Jaguar Land Rover Automotive Plc and Tata Daewoo Commercial Vehicle Co. Ltd., the consolidated accounts of which are given below :															
1	Jaguar Land Rover Automotive Plc Consolidated (subsidiary w.e.f June 2, 2008)				11,195.17	50,049.62	2,29,241.82	1,67,997.03	2,08,117.88	(2,719.75)	425.11	(3,144.86)	(3,144.86)	-	9,514.68	100.00
2	Tata Daewoo Commercial Vehicle Co. Ltd (subsidiary w.e.f March 30, 2004)				0.03	1,550.37	3,349.57	1,799.18	3,134.46	(601.02)	(131.78)	(469.23)	(469.23)	-	-	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

(₹ in crores)

		Shares of Associate/Joint Ventures held by the Company on the year end							Profit/(loss) for the year		
Sr. No.	Name of Associates/Joint Ventures	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 31,2020	12,22,57,983	1,567.04	50%	1,924.73	143.87	-	Note (a)	-
2	Tata Cummins Private Ltd	March 31,2020	9,00,00,000	90.00	50%	556.65	40.27	-	Note (a)	-
Joint Ventures										
1	JT Special Vehicle (P) Ltd.	March 31,2020	25,00,000	-	50%	-	-	-	Note (a)	-
2	Chery Jaguar Land Rover Automotive Co Ltd (subsidiary w.e.f November 16, 2012)	March 31,2020	-	1,973.89	50%	3,382.90	(1,047.14)	-	Note (a)	-
3	Tata HAL Technologies Limited	March 31,2020	1,01,40,000	-	36.24%	-	-	-	Note (a)	Provision for impairment was considered in full in FY 16-17
4	Loginomic Tech Solutions Private Limited ('TruckEasy') (Acquired stake w.e.f. July 10, 2018)	March 31,2020	6,65,000	-	26.00%	-	(1.94)	-	Note (a)	-
Associates										
1	Tata AutoComp Systems Ltd	March 31,2020	5,23,33,170	77.47	26.00%	279.35	49.90	-	Note (b)	-
2	Nita Company Ltd	March 31,2020	16,000	1.27	40%	39.72	2.65	-	Note (b)	-
3	Automobile Corporation of Goa Ltd (subsidiary w.e.f May 21, 2007)	March 31,2020	29,82,214	109.63	49.77%	145.58	6.44	-	Note (b)	-
4	Jaguar Cars Finance Limited	March 31,2020	49,900	3.35	49.90%	3.27	-	-	Note (b)	-
5	Synaptiv Limited	March 31,2020	1,56,00,000	1.46	33.30%	1.50	-	-	Note (b)	-
6	CloudCar Inc	March 31,2020	13,32,55,012	112.87	33.30%	-	(16.4)	-	Note (b)	-
7	DriveClubService Pte. Ltd.	March 31,2020	251	1.87	25.08%	-	-	-	Note (b)	-
8	Tata Hitachi Construction Machinery Company Private Ltd	March 31,2020	4,54,28,572	240.20	39.99%	565.56	(27.17)	-	Note (b)	-
9	Tata Precision Industries (India) Limited	March 31,2020	2,00,000	-	39.20%	-	3.91	-	Note (b)	-

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 FIFTH ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Tuesday, August 25, 2020 at 2:00 p.m. IST through video conferencing ('VC') / other audio visual means ('OAVM') 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, 2020 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, 2020 together with the Report of the Auditors thereon.
3. To appoint a Director in place of Dr Ralf Speth (DIN: 03318908) who, retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Approval and ratification for payment of Minimum Remuneration to Mr Guenter Butschek (DIN: 07427375), Chief Executive Officer and Managing Director for FY 2019-20.**

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

   "RESOLVED that pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and the Special Resolution passed by the members at the Annual General Meeting of the Company held on August 9, 2016, the members do hereby ratify and confirm the remuneration of ₹19,27,58,245/- paid/payable to Mr Guenter Butschek (DIN: 07427375), Chief Executive Officer and Managing Director for FY 2019-20 as Minimum Remuneration as per the terms of his appointment, including in particular an amount of ₹11,82,38,352/- paid to him during FY 2019-20 being the amount in excess of the limits prescribed under the provisions of Section 197 read with Schedule V of the Act in view of no profits for FY 2019-20 and to waive recovery of the above mentioned sum from him, to the extent it exceeds the statutory limit laid down under the Act and also approve the consequential retention thereof by him.

   RESOLVED FURTHER that the Board of Directors or a Committee thereof, be and is hereby, authorized to take such steps as may be necessary - statutory, contractual or otherwise, in relation to the above, to settle all matters arising out of and incidental thereto, 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 as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

5. **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.**

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

   "RESOLVED that pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and the Special Resolution passed by the members at the Annual General Meeting of the Company held on August 9, 2016 ('the said Resolution of 2016'), the members do hereby accord their approval to pay remuneration to Mr Guenter Butschek (DIN: 07427375), Chief Executive Officer and Managing Director as approved by the members in the said Resolution of 2016 (referred in the annexed Explanatory Statement) as 'Minimum Remuneration' in case of no/inadequacy of profits for FY 2020-21 .

   RESOLVED FURTHER that the Board of Directors or a Committee thereof, be and is hereby, authorized to take such steps as may be necessary - statutory, contractual or otherwise, in relation to the above, to settle all matters arising out of and incidental thereto, 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 as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

6. **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 ('the 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 (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) 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.

   RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, matters, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

7. 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, 2021.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, matters, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board of Directors

HOSHANG K SETHNA
Company Secretary
FCS No: 3507

Mumbai, July 31, 2020

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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 Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 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' (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' ('SEBI Circular') 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 (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, **the 75th AGM of the Company is being held through VC/OAVM on Tuesday, August 25, 2020 at 2.00 p.m. (IST).** The deemed venue for the AGM will be the place from where the Chairman of the Board conducts the Meeting.

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 7 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

3. The relative Explanatory Statement pursuant to Section 102 of the Act in respect of the business under item nos. 4 to 7 set out above and the relevant details of the Director seeking re-appointment at this AGM in respect of business under item no. 3 as required under Regulations 26(4) and 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 Director seeking re-appointment. Similar details have been annexed for Mr Guenter Butschek, CEO and Managing Director in respect of business under item nos. 4 and 5, though not mandated under the SEBI Listing Regulations and Secretarial Standard.

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 CIRCULAR, 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, who are members of the Company, are encouraged to attend and vote at the 75th AGM through VC/ OAVM facility. 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 e-mail 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 (the '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 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure

mentioned in the Notice. Members will be able to view the proceedings on e-voting website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com. 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.

10. In line with the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA and the SEBI Circular, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. The Notice of AGM and Annual Report 2019-20 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 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 75th 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 your 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@tsrdarashaw.com, 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 e-mail 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 e-mail 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 Monday, August 17, 2020 pursuant to which, any member may receive on the e-mail address provided by the member the Notice of this AGM along with the Annual Report 2019-20 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:

    i. For members who hold shares in demat mode:

    a) Visit the link https://green.tsrdarashaw.com/green/events/login/el

    b) Enter the DP ID & Client ID, PAN details and captcha code.

    c) System will verify the Client ID and PAN details.

    d) On successful verification, system will allow you to enter your e-mail address and mobile number.

    e) Enter your e-mail address and mobile number.

    f) The system will then confirm the e-mail address for the limited purpose of servicing the Notice of this AGM along with the Annual Report 2019-20.

    ii. For members who hold shares in physical mode:

    a) Visit the link https://green.tsrdarashaw.com/green/events/login/el

    b) Enter the physical Folio Number, PAN details and captcha code.

    c) In the event the PAN details are not available on record, member to enter one of the share certificate's number.

    d) System will verify the Folio Number and PAN details or the share certificate number.

    e) On successful verification, system will allow you to enter your e-mail address and mobile number.

    f) Enter your e-mail address and mobile number.

    g) If PAN details are not available, the system will prompt the member to upload a self-attested copy of the PAN card.

    h) The system will then confirm the e-mail address for the purpose of servicing the Notice of this AGM along with the Annual Report 2019-20.

    NSDL will e-mail the Notice of this AGM along with the Annual Report 2019-20 as also the remote e-voting user ID and password, within 48 hours of successful registration of the e-mail address by the member. In case of any queries, members may write to csg-unit@tsrdarashaw.com or evoting@nsdl.co.in.

    (ii) Registration of e-mail 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. Further, those members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs / RTA to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.

    (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 Circular, 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 (a) remote e-voting prior to the AGM (as explained at 'para F' herein below) or (b) 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 **Tuesday, August 18, 2020 ('the 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. Tuesday, August 18, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

The remote e-voting period starts on Saturday, August 22, 2020 (9.00 a.m. IST) and ends on Monday, August 24, 2020 (5.00 p.m. IST). Remote e-voting shall be disabled by NSDL at 5:00 p.m. on August 24, 2020 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 : Log-in to NSDL e-voting system

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 113072 then user ID is 113072001***. For members holding 'A' Ordinary Shares, if folio number is 001*** and EVEN is 113073 then user ID is 113073001***).

v. Your password details 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'.

vi. 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?' option available on www.evoting.nsdl.com (If you are holding shares in your demat account with NSDL or CDSL).

b) Click on 'Physical User Reset Password?' option available on www.evoting.nsdl.com (If you are holding shares in physical mode).

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 OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

vii. After entering your password, tick on 'I hereby agree to all Terms and Conditions'.

viii. Click on 'Login' button.

ix. 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 the Home page of e-voting. Click on e-voting.

ii. Click on Active Voting Cycles. You will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

iii. Select 'EVEN' of the Company for casting your vote:

a. EVEN for Ordinary Shares is 113072.

b. EVEN for 'A' Ordinary Shares is 113073.

iv. Now you are ready for e-voting as the Voting page opens.

v. 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.

vi. Upon confirmation, the message 'Vote cast successfully' will be displayed.

vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

viii. 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 Shareholders (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 or call on toll free number: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email IDs: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. 91 22 2499 4545 / 1800-222-990.

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 and they may access the same at https://www.evoting.nsdl.com under the Shareholders/ members login by using the remote e-voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the members will be able to attend and participate in the proceedings of the AGM. 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. Further, members may also use the OTP based login for logging into the e-voting system of NSDL.

ii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops 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 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 Saturday, August 22, 2020. 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 Wednesday, August 19, 2020 (9:00 a.m. IST) and Saturday, August 22, 2020 (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), not later than 48 hours 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. August 25, 2020.

Explanatory Statement

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 4 to 7 of the accompanying Notice dated July 31, 2020.

Item Nos. 4 and 5

The members will recall having approved, at the 71st Annual General Meeting 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 summarised 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.

Details of remuneration are given at Point II.4. of 'The statement containing additional information as required under Schedule V of the Act' under the head 'Remuneration proposed'. For the detailed terms of Mr Butschek's remuneration, a copy of the Notice of the AGM held on August 9, 2016, can also be accessed by the members on the following link: https://www.tatamotors.com/investors/annual-reports/?annual_report_search=annual_report_search&areport_year=2016

The above remuneration approved at the time of his appointment was commensurate with the remuneration of expatriates appointed at CEO/MD level of similar sized multinationals taking into consideration the responsibilities shouldered by him, was based on his past remuneration and was subjected to peer level benchmarks for global automotive OEMs as per survey conducted by Aon Hewitt, an independent consultant.

Mr Butschek, being a German citizen and non-resident of India, his appointment alongwith appropriate disclosure of his terms of remuneration was approved by the Central Government.

Payment of remuneration to Mr Butschek for the period from February 15, 2016 to March 31, 2019 was well within the statutory limits/limits approved by the members, the details of which can be referred at Point II.2. of 'The statement containing additional information as required under Schedule V of the Act' under the head 'Past Remuneration'.

Pursuant to the provisions of Section 197 read with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration over the ceiling limit as specified in Schedule V, provided the members' approval by way of a Special Resolution has been taken for payment of Minimum Remuneration for a period not exceeding 3 years.

Consequently, the payment of Minimum Remuneration would require fresh members' approval, in the event of inadequacy of profits in the 4th and 5th year of Mr Butschek's tenure, i.e. for the period from February 15, 2019 to February 14, 2021. Considering that the Company had adequate profits for FY 2018-19, the said members' approval is required for the period April 1, 2019 to February 14, 2021.

Accordingly, and in conformity and furtherance to the members' special resolution passed at the AGM held on August 9, 2016, the approval of the members is now being sought for:

- ratifying the payment of Minimum Remuneration to Mr Guenter Butschek, Chief Executive Officer and Managing Director due to losses for FY 2019-20 and the consequent waiver of recovery of the Minimum Remuneration that is in excess of the prescribed limit as contained in proposed resolution at Item no. 4 of this Notice; and

- payment of Minimum Remuneration to Mr Guenter Butschek, Chief Executive Officer and Managing Director in case of inadequacy of profits during FY 2020-21 as contained in proposed resolution at item no. 5 of this Notice.

A. In respect of item no. 4 of the Notice dealing with the payment of Minimum Remuneration to Mr Butschek for FY 2019-20, it is stated that:

1. The Company recorded a loss for FY 2019-20 of ₹7,453.98 crores on a standalone basis (without Joint Operations). The Company incurred a loss of ₹7,083.20 crores for FY 2019-20 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. For details on relevant profits under the Act please refer to point no. 4 in the 'General Information'.

2. Pursuant to the provisions of Section 197 read with Schedule V of the Act, in case of no profits or inadequacy of profits calculated under Section 198 of the Act, the Company may pay remuneration in excess of the ceiling limit specified in Schedule V of the Act, subject to the members' approval by way of a Special Resolution, compliance of disclosure requirements and other conditions stated therein.

3. Any sums paid in excess of the said statutory limit become refundable to the Company and until such sums become refundable, they are held in trust for the Company by the director, unless the Company waives recovery of the said amount by way of a Special Resolution passed by the members. As per the Company's budget/ business plan for FY 2019-20 approved by the Board in March 2019, the Company was expected to have adequate profits for FY 2019-20 and therefore no resolution was passed in the previous AGM held in 2019. As permissible and pursuant to Section 197(10) of the Act, the approval of members is now being sought.

   It may be noted that as per the terms of the agreement with Mr Butschek, the following Long Term Incentives ('LTIP') have been approved by the Board based on the recommendations of the Nomination and Remuneration Committee ('NRC') in the previous years 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:

- LTIP for FY 2017-18: ₹ 5,46,38,060/- (€6,60,000) are due and payable in April 2021.
- LTIP for FY 2018-19: ₹4,91,74,254/- (€5,94,000) are due and payable in April 2022.
- LTIP for FY 2019-20: ₹1,39,88,261/- (€1,65,000) are due and payable in April 2023, subject to the approval of the members.

4. The following is the calculation for payment of remuneration to Mr Butschek in view of absence of profits/ losses for FY 2019-20:

(a) Mr Butschek's Remuneration for FY 2019-20	₹19,27,58,245
(b) Amounts not to be considered for limits as per Schedule V	₹1,83,55,975
(c) Maximum limit prescribed under Schedule V on his remuneration	₹2,81,87,396#
(d) Performance bonus and LTIP for FY 2019-20 recommended by NRC and Board but not paid, being in excess of prescribed limits (subject to members' approval)	₹2,79,76,522
(e) Excess Paid beyond prescribed Schedule V limit [(e) = (a)-(b)-(c)-(d)]	₹11,82,38,352

#The maximum limit prescribed is calculated based on the Effective Capital of ₹16,437.40 crores as per Schedule V of the Act.

5. The performance highlights for FY 2019-20 were as follows:

- The FY 2019-20 was most challenging year for automobile industry in a decade, as sales fell across vehicle segments. The Indian Economy registered a slowdown in GDP during FY 2019-20 and is estimated at 4.2% as compared to 6.1% in FY 2018-19. According to data released by SIAM, the Indian automotive industry (Passenger Vehicles and Commercial Vehicles) recorded a 20.3% decline in domestic sales as compared to a 5.9% growth in FY 2018-19. The Passenger Vehicle and Commercial Vehicle segments declined by 17.3% and 30.0%, respectively in FY 2019-20 as compared to a growth of 2.8% and 17.1%, respectively in FY 2018-19.
- 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 and positive free cash flows in FY 2017-18 and FY 2018-19. Despite robust turnaround actions taken, we were severely impacted by unprecedented shocks in external environment including weak consumer sentiment and subdued demand, rising cost of vehicle ownership, liquidity stress, sharp economic slowdown, transition to BSVI and higher capacity in the CV industry arising from the new axle load norms. As a result, for standalone business, our wholesale volumes witnessed a decline of 35%, while our revenues declined by 37% in FY 2019-20 as compared to FY 2018-19. The CV business witnessed a decline of 34% in wholesale volumes and 39% decline in revenues, however we managed to gain market share by 240 bps and 180 bps in MHCV and ILCV segments, respectively. The PV business witnessed a decline of 37% in wholesale volumes and decline of 28% in revenues in FY 2019-20 as compared to FY 2018-19.

  With focused actions on improving ecosystem viability and cash conservation, we managed to end the year with a successful transition into BSVI, with almost negligible BSIV inventory and delivered positive free cash flows for H2 FY 2019-20 despite all challenges.
- While we had started witnessing green shoots in the economy by Q3 FY 2019-20, the outbreak of COVID-19 pandemic towards the end of the year has significantly magnified the pre-pandemic challenges. Steps taken to contain its spread such as complete lockdown of the country brought economic activities to a standstill and impacted consumption and investment.
- As a result of COVID-19 pandemic, our profitability has been significantly impacted by approximately ₹500 crores and free cash flows have been impacted by approximately ₹2,000 crores in FY 2019-20.

B. In respect of item no. 5 of the Notice dealing with the payment of Minimum Remuneration to Mr Butschek in case of no/inadequacy of profits for FY 2020-21, it is stated that:

6. The unprecedented weak trends witnessed on account of COVID-19 pandemic in Q4 FY 2019-20 continued in Q1 FY 2020-21. While the overall performance of automotive industry is likely to remain subdued in FY 2020-21, we expect a gradual recovery from H2 FY 2020-21 on the backdrop of rural recovery, normal monsoon, overall interventions from the RBI and government, and gradual easing of lockdowns. Considering the sharp drop in volumes during the past few quarters, it would be a matter of time for the Company to regain volumes in line with the built-up capacities.

7. 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. A cash improvement programme of ₹6,000 crores (including a cost savings programme of ₹1,500 crores) has been called out. 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 2020-21 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.

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 2019-20		FY 2018-19		FY 2017-18		FY 2016-17		FY 2015-16	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations (Gross)	42,963.03	2,61,067.97	67,611.07	301,938.40	57,258.60	2,95,409.34	48,319.90	274,492.12	46,646.67	2,80,096.72
Profit/(Loss) for the year	(7,453.98)	(11,975.23)	1,903.94	(28,724.20)	(1,266.19)	9,091.36	2,597.62	7,556.56	234.23	11,129.61
Profit/(Loss) under Sec. 198	(7,083.20)	NA	396.12	NA	(1,511.32)	NA	(2,564.03)	NA	(464.10)	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. The financial statement for FY 2015-16 is prepared as per Indian GAAP.

It may be noticed from the above table that there is significant reduction in its operating performance and financial results in FY 2019-20, primarily due to macro factors such as subdued demand, slow economic growth, liquidity stress, low freight availability to cargo operators and increased axle load norms (relevant for commercial vehicles). Additionally, the Company reduced its stocks with retail acceleration to achieve a smooth transition to BSVI. The transition to BSVI has been seamless despite the turmoil situation with BSIV ecosystem inventory near zero as at March 31, 2020. The Company has posted negative EBITDA of ₹256 crores in FY 2019-20 as compared to positive ₹4,995 crores in FY 2018-19 on standalone basis. New product launches have been stepped up, particularly in the Passenger Vehicle business with the launch of Nexon EV, Altroz and Harrier in FY 2019-20. Further, in order to deleverage the Company to reduce the borrowing costs, the Company has issued equity and convertible warrants on preferential allotment basis to the Promoters of ₹6,494 crores of which ₹3,892 crores has been raised.

Tata Motors' Standalone financial performance reflects negative results as compared to previous year's profit as stated above under Section 198 of the Act. Tata Motors' Consolidated financial performance continues to show improvements (except for Q4 FY 2019-20 due to COVID-19).

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 Appointee

1. **Background details:**

Aged 59, 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, leading 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.

Mr Butschek is a managerial person functioning in a professional capacity, in terms of Schedule V, Part II Section II clause (B) as he is not having any interest in the capital of the Company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and does not have any direct or indirect interest nor is related to the directors or promoters of the Company or its holding company or any of its subsidiaries at any time, before or on or after the date of appointment and possesses graduate level qualification with expertise and specialised knowledge in the field in which the Company operates.

2. **Past remuneration:**

(₹ in lakhs)

Particulars	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	Feb 15, 2016 to March 31, 2016
Salary	259.67	266.88	250.80	241.88	31.36
Perquisites and Allowances (includes payment in lieu of pension) (1)	1,222.12	1,410.46	1,294.39	1,314.06	377.05
Commission, Bonus and Performance Linked Incentive	279.76(2)	922.72	1,066.66	670.18	92.12
Retirals	166.03	32.02	30.10	29.03	3.76
Total Remuneration Payable(3)	**1,927.58**	**2,632.08**	**2,641.95**	**2,255.15**	**504.29**
Less: Permissible Deductions under Schedule V	183.56	NA	NA	NA	NA
Total Remuneration under Schedule V	**1,744.02**	**NA**	**NA**	**NA**	**NA**

(₹ in lakhs)

Particulars	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	Feb 15, 2016 to March 31, 2016
Less: Permissible Limit Payable by a Company with inadequate profits	281.87	NA	NA	NA	NA
Waiver of Excess Remuneration Paid	**1,182.38[4]**	**NA**	**NA**	**NA**	**NA**
Profit/(Loss) as per Section 198	**(7,08,320.15)**	**39,611.89**	**(1,51,132.31)**	**(2,56,403.03)**	**(46,410.38)**

(1) *Includes joining allowance as well as relocation allowance for FY 2015-16 which are related to his joining.*
(2) *Performance bonus and LTIP for FY 2019-20 recommended by NRC and Board (subject to members' approval) but not paid.*
(3) *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 ₹ 75.37 on March 31, 2016 to ₹ 82.63 on March 31, 2020). The exchange rates used for remuneration are conversion rate on the date of actual payment.*
(4) *Does not include Performance bonus and LTIP for FY 2019-20 recommended by NRC and Board (subject to members' approval) but not paid.*

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 (the '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, the Company's standalone performance since Mr Butschek's joining for FY 2017-18 and FY 2018-19 has substantially improved. 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.

Taking into consideration, the qualifications, varied experience and achievements, the Board had bestowed upon Mr Butschek, the responsibilities of CEO and Managing Director of the Company and continues to consider him suitable for the position.

4. Remuneration proposed:

In accordance with the terms of appointment approved by the members at the 71st Annual General Meeting held on August 9, 2016, the Company proposes to:

- ratify payment of Minimum Remuneration to Mr Butschek due to absence of profits for FY 2019-20 as elaborated in the proposed resolution at item no. 4 of the Notice as well as information provided in point no. 2 pertaining to 'Past Remuneration'.
- pay Minimum Remuneration to Mr Butschek in case of absence/ inadequacy of profits during FY 2020-21 as elaborated in the proposed resolution at item no. 5 of the Notice.

In monetary terms the remuneration for the 2 years period is given hereunder:

(₹ in Lakhs)

Particulars	FY 2019-20	FY 2020-21
Salary	259.67	238.60
Perquisites and Allowances#	1,222.12	1,134.02
Commission, Bonus and Performance Linked Incentive	279.76	795.32*
Retirals	166.03	143.16
Total Remuneration	**1,927.58**	**2,311.10**

 # 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€=₹82.63 (rate as on the date of payment for March 2020). The remuneration for FY 2020-21 is estimated on similar basis as FY 2019-20 but is pro-rated for a period of 10.5 months i.e. upto February 14, 2021).

5. 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):

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
2522	2933	5014	8600	9873

(Data Source: Aon Hewitt CEO Comp Benchmarking Report July 2020)

6. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

   Except for drawing remuneration in his professional capacity, there is no other pecuniary relationship with the Company or with the managerial personnel of the Company.

7. **Results, Recognition and Awards:**

   - 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.
   - Strong all round business performance in FY 2017-18 and FY 2018-19. Market share gains in M&HCV, ILCV in FY 2019-20. PV reached EBITDA breakeven in FY 2018-19 with significant contribution from margin improvement. Business was free cash flow positive in FY 2017-18, FY 2018-19 & H2 FY 2019-20, before being impacted by external challenges. ImpACT projects came into full force by FY 2017-18, contributing to ~ 50% of Turnaround targeted cost savings, supported by exceptional contribution to bottom-line by cost reduction efforts.
   - TIAGO continues to be highly acclaimed with its successful run, having received 18 industry awards. 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 - PVBU achieved Rank 2 (highest score ever) in JDP CSI (Customer Satisfaction Index) for a third consecutive year in FY 2019-20.
   - 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 manufacturing plants achieved higher levels in WCQ (World Class Quality) and quantum improvements in productivity levels (in the range of 300-350 MOP).
   - 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.
   - TML awarded the Golden Peacock Award for CSR and emerged as one of the eight Sustainability Leaders globally on the Dow Jones Sustainability Index 2018.
   - The Company was amongst the top 10 companies in BSE 100 companies evaluated by IiAS on the Indian Corporate Governance Scorecard in FY 2017-18 and FY 2018-19.
   - Strategic intervention on gender diversity launched -Women @ Work- to create an encouraging and unbiased environment of equity and equality, unlocking the potential of our women colleagues.
   - Ranked 31st out of 2,000 and 5th among global automobile manufacturers in Forbes World's Best Regarded Companies 2019.

III. Other Information

1. **Reasons of loss or inadequate profits:**

   Members are requested to refer to point no. 5 of A and 6 of B above in the Explanatory Statement providing reasons for weak financial performance.

2. **Steps taken or proposed to be taken for improvement:**

   - The Company 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 and reduce costs and improve cash flows, launch of new products with advanced technologies, (particularly in passenger vehicles) coupled with sale, service, marketing campaigns and customer engagement programs.
   - 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. The Company has generated positive free cash flow in FY 2017-18 and FY 2018-19 consecutively as a result of the 'Turnaround' strategy.
   - FY 2019-20 was a transition year to BSVI. The Company has 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.
   - Under his leadership, the Company has taken a comprehensive set of actions to strengthen its business fundamentals through focused network engagements, enhancing customer experience, thrust on rural programs and improving working capital management. On the International front, the Company proposes to aggressively pursue its traditional markets as also enter recently opened potential markets. The organization had set out its journey in 2016 to secure a sustainable future. Some of the major initiatives driven by Mr Butschek for the urgently required transformation and to implement structural positive changes have been:

     Strategy & Business

     – to drive focused interventions, high impact projects across the organization, wherein fully dedicated senior leaders and cross-functional teams were assigned with 4 angles of attack – intense topline focus, agile cost management, customer centricity and structural process improvements. ImpACT (Improvement by Action) was launched in Sep'16 and delivered promising savings in the short and medium term.

     – recognizing the need of a corporate brand identity, 'Connecting Aspirations' was announced and cascaded in FY 2017-18 to develop a common brand purpose and communication strategy connecting instantly with all stakeholders.

- rationalising a wide supplier base into a solid base in terms of its technical and commercial capabilities delivering significant improvement in quality, cost and agility.
- Subsidiary clean ups are underway, unlocking cash from non-core investments.
- as demonstrated thought leadership, the Company shifted the industry's paradigm from wholesale to retail reporting in order to align production to retail unleashing working capital and supporting dealers' profitability. This shift helped to achieve 'Mission Zero' in FY 2019-20 - an all-time low vehicle inventory along the entire value chain in transition to BSVI.

Product Portfolio

- After a hiatus of nearly 4 years, the back-to-back product launches in PV and CV had a rejuvenation effect for the Tata Motors brand supporting the topline focus gaining market share across all categories.
- Alfa & Omega - the two new, globally competitive architectures in PV were launched with Altroz and Harrier were the first products coming out from these architectures respectively, representing the 'new Tata Motors' focus on leveraging investments, de-risking launches, building economies of scale by commonality and addressing new segments with agility. Prior to this Tiago, Hexa, Tigor, Nexon, have been well received under the new Impact 1.0 design philosophy, customer centric features and product reliability and have been duly refreshed over time.
- On the CV side new products launched included the Xenon Yodha in Jan'17 to capture market share in the highly competitive and growing Pick-up segment. CV continued its aggression with launch of Ace Gold, the Ultra range of trucks (India's first modular platform, with 14 variants) and buses, Intra in SCVs. The Company was the first to implement the revised axle load regulations for M&HCV truck segment.
- Fueling the e-mobility aspirations, leading the industry in supporting Govt.'s Vision, a full range of xEV solutions, e.g., hybrid, electric, fuel cell and LNG bus portfolio, has been developed highlighting state of art in-house engineering capabilities. The Company launched Nexon EV in FY 2019-20, leading the Indian EV market in the personal segment. A comprehensive EV ecosystem Tata UniEVerse launched in FY 2019-20 providing a unique collaboration platform ('One Tata') for Tata companies to leverage mutual competencies to support e-mobility in India.
- The Company has upgraded its entire CV portfolio, complying with BS VI emission norms, ranging from sub-1 tonne to 55 tonne GVW with 140+ type approvals and 19 engines (including alternate fuel options). The Company has also launched its 'New Forever' range, with 12 exhibits exemplifying the Impact design 2.0 across Cars and Utility Vehicles.

People and Culture

Major HR initiative include Organizational Effectiveness (OE) in April 2017 to bring speed, simplicity and agility in the organization with a leaner and more efficient Organization Structure - key characteristics: 5 instead of 14 management layers, consequent delegation of authority, fully accountable product lines; LOOP (Performance and Leadership Management System) to align the organization on the Board approved Corporate targets, drive performance and leadership development in a structured, annual cycle. Special communication and engagement forums introduced, e.g., CEO's Roundtable (Regional Rounds) with dealers, key customers, and employees (focused group discussions), 'Coffee and Conversation' launched in 2020 for engaging with top talents. All these provide a good feedback mechanism to improve the organization's processes and to foster a culture of 'speak up' and engagement.

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 our PV 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 is getting ready to Win decisively as the demand recovers through BCP development and deployment, strong stakeholder collaboration and enhanced customer engagement and support.
- 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 Frontend program is also underway.
- With continuing focus on CESS (Connected, Electric, Shared and Safe) and mobility services, the Company to 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.

- Mr Butschek is leading the Company in a major strategic and operational transformation for significant and sustained improvement in the overall business and financial performance comprehensively covering all areas of the Company's operations like strategy, platform and product strategy, manufacturing, supply chain, employee and managerial productivity, cost reduction & efficiency improvements, improved effectiveness in sales & marketing and customer satisfaction/relationships and breakthrough improvements in achieving world class quality standards.
- A cash improvement programme of ₹6,000 crores (including a cost savings programme of ₹1,500 crore) has been called out. Actions are underway to significantly deleverage Tata Motors Group.

The Company expects to successfully navigate the headwinds faced by auto-industry.

3. **Expected increase in productivity and profits in measurable terms:**

The Company is focused extensively on right sizing the business and operational improvements through various strategic projects for operational excellence, cost cutting and quality initiatives. On the International front, the Company proposes to aggressively pursue its traditional markets as also enter recently opened markets. The results of these initiatives are likely to be felt in the coming years. Though the Automobile Industry is witnessing a continued slowdown, in anticipation of revival of the overall economy in future, the aforesaid steps taken / to be taken by the Company as mentioned in point no. 2 of 'Other Information' is expected to significantly improve the Company's performance and profitability.

It may be pertinent to note that the members' approval for payment of minimum remuneration if not received, this critical position may become vacant, which at this juncture, may jeopardize the Company's performance in the upcoming commercial vehicle business unit cyclical upturn and the opportunities that would be available post the COVID Pandemic restart and demand fulfilment.

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 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. 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.

Taking into consideration the above and the terms of appointment (including payment of Minimum Remuneration) agreed with Mr Butschek as previously approved by the members of the Company at the AGM held on August 9, 2016 and based on the recommendations of the NRC, the Board of Directors have on June 15, 2020 and July 31, 2020, accorded their approvals to the said proposals. The Board recommends the Special Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the members.

Electronic copies of the Agreement executed by the Company with Mr Butschek setting out the terms and conditions of his appointment, the Articles of Association of the Company, 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 the note given in the Notice on inspection of documents.

Accordingly, members' approval is sought by way of Special Resolutions for payment of Minimum Remuneration to Mr Butschek as set out in the said resolutions.

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/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 resolutions.

Item No. 6

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. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 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. 7

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 15, 2020, 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 2020-21 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. 7 of the Notice.

M/s Mani & Co. have furnished a certificate dated May 9, 2020 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. 7 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, July 31, 2020

Registered Office:

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Tel: +91 22 6665 8282;

Email: inv_rel@tatamotors.com; Website: www.tatamotors.com

CIN: L28920MH1945PLC004520

ANNEXURE TO NOTICE

Details of Director seeking re-appointment in the forthcoming Annual General Meeting

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]
[Similar details have been provided for Mr Guenter Butschek, CEO and Managing Director, though not mandated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

Particulars	Dr Ralf Speth	Mr Guenter Butschek
Director Identification Number (DIN)	03318908	07427375
Date of Birth / Age	September 9, 1955 64 years	October 21, 1960 59 years
Date of first appointment on the Board	November 10, 2010	February 15, 2016
Educational Qualification	Dr Speth holds a degree in Engineering from Rosenheim University, Germany, Doctorate of Engineering in Mechanical Engineering and Business Administration from Warwick University.	Mr Butschek graduated in Business Administration and Economics with a diploma from the University of Cooperative Education Stuttgart, Germany.
Experience (including expertise in specific functional areas) / Brief Resume	Wide experience in areas of production, quality and product planning. Dr Speth was appointed to the post of Chief Executive Officer at Jaguar Land Rover on February 18, 2010. Having served BMW for 20 years, he joined Ford Motor Company's Premier Automotive Group as Director of Production, Quality and Product Planning	Mr Butschek is the Chief Executive Officer and Managing Director of the Company. Mr Butschek has over three decades 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 and a member of the Group Executive Committee.
Directorships held in other companies and entities	• Jaguar Land Rover Limited, UK. • Jaguar Land Rover Automotive Plc, UK. • Jaguar Land Rover Holdings Limited, UK. • The Society of Motor Manufacturers & Traders Limited, UK. • Bladon Jets, UK. • Spark44 (JV) Limited, UK. • ACEA- Brussels and Belgium. • Confederation of British Industry, UK. • Jaguar Racing Limited, UK. • Jaguar Land Rover Ventures Limited. • Tata Sons Private Limited. • Advisory Board Director of British American Business.	• Tata Cummins Private Limited. • Tata Daewoo Commercial Vehicles Limited. • Tata Hitachi Construction Machinery Company Private Limited. • Tata Motors European Technical Centre Plc. • Tata Technologies Limited.
Memberships/ Chairmanships of Committees across companies and entities	NIL	• **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 Motors European Technical Centre Plc.-** Member of Remuneration Committee.
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director / Key Managerial Personnel of the Company.	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	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.


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