

TATA
TATA MOTORS LIMITED

Corporate Identification No. (CIN): L28920MH1945PLC004520

Registered Office: Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400001

Tel: +91 22 6665 8282 E-mail: inv_rel@tatamotors.com Website: www.tatamotors.com

NOTICE CONVENING THE MEETING OF THE ORDINARY SHAREHOLDERS OF TATA MOTORS LIMITED PURSUANT TO THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

Meeting Details		
Day	:	Tuesday
Date	:	April 30, 2024
Time	:	2.30 p.m. (IST)
Mode of Meeting	:	As per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench, the meeting is being conducted through Video Conferencing/Other Audio-Visual Means.
Cut-off Date for sending the notice to eligible shareholders	:	Thursday, March 21, 2024
Cut-off Date for e-Voting	:	Tuesday, April 23, 2024
Remote e-Voting start date and time	:	Friday, April 26, 2024 at 9.00 a.m. (IST)
Remote e-Voting end date and time	:	Monday, April 29, 2024 at 5.00 p.m. (IST)

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The Notice of the Meeting, Statement under Sections 102, 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable SEBI Circulars and Annexure 1 to Annexure 15 (page nos. 30 to 274) constitute a single and complete set of documents and should be read in conjunction with each other, as they form an integral part of this document.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. CA(CAA)9/MB/2024**

[Pursuant to Section 230(3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

In the matter of the Companies Act, 2013;

And

In the matter of the Application under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016;

In the matter of the Scheme of Arrangement of Tata Motors Limited and its shareholders and creditors.

Tata Motors Limited)
(CIN:L28920MH1945PLC004520), a)
public listed company incorporated)
under the provisions of the Companies)
Act, 1913, and having its registered)
office at Bombay House, 24 Homi)
Mody Street, Mumbai 400001)

...Applicant Company

**NOTICE CONVENING THE MEETING OF THE ORDINARY SHAREHOLDERS OF
TATA MOTORS LIMITED**

To,
**The Ordinary Shareholders of
Tata Motors Limited**

Notice ("Notice") is hereby given that, by orders dated March 22, 2024 and dated March 28, 2024 ("Orders"), in the Company Scheme Application No. CA(CAA)/9/MB/2024, the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT" or "Hon'ble Tribunal") has directed, *inter alia*, that a separate meeting of the equity shareholders holding Ordinary Shares of **Tata Motors Limited** ("Company" or "TML" and such equity shareholders, the **Ordinary Shareholders**") be convened and held on **Tuesday, April 30, 2024 at 2.30 p.m (IST)** through video conferencing ("VC")/ other audio visual means ("OAVM") ("**Tribunal Convened Meeting**" or "**Meeting**") to consider, and if thought fit, to approve, with or without modification(s), the Scheme of Arrangement of the Company and its shareholders and creditors ("**the Scheme**").

Pursuant to the Orders, the Hon'ble Tribunal has directed therein the Meeting of the Ordinary Shareholders of the Company will be held through VC/OAVM in the compliance with the provisions of the Companies Act, 2013 ("Act") read with any other applicable provisions of the Act, alongwith the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (including any statutory modifications (s), or re-enactment thereof, for the time being in force), applicable general circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations") read with the SEBI master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Scheme Circular**") and SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022 ("**SEBI Scheme Circular - Debt**") (together referred to as "**SEBI Scheme Circulars**"), and any other applicable circulars issued by SEBI and Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India ("**SS-2**"), each as amended from time to time.

The Scheme, if approved by the Ordinary Shareholders of the Company as per Section 230(6) of the Act read with Regulation 37 of the SEBI Listing Regulations and SEBI Scheme Circulars and other applicable circulars issued by SEBI, if any, will be subject to subsequent approval of the Hon'ble Tribunal and such other approvals, permissions and sanctions from any other regulatory or statutory

authority(ies) as may be deemed necessary. In terms of the SEBI Scheme Circulars, the Scheme shall be acted upon only if the votes cast by public shareholders in favour of the Resolution set out below are more than the number of votes cast by the public shareholders against the Resolution. For this purpose, the term "public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "public shareholders" shall be construed accordingly. In terms of the SEBI Scheme Circulars, the Company has provided the facility of voting by e-Voting to its public shareholders.

In compliance of the Orders of the Hon'ble Tribunal, Section 108 and other applicable provisions of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended; and Regulation 44 and other applicable provisions of the SEBI Listing Regulations read with SEBI Scheme Circulars and other applicable circulars issued by SEBI, SS-2 and in accordance with the requirements prescribed by the Ministry of Corporate Affairs ("**MCA**") for holding general meetings through e-Voting by following the operating procedures (with requisite modifications as may be required) referred to in MCA General Circular Nos., 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 (collectively the "**MCA Circulars**"), the Company has provided the facility of remote e-Voting prior to the Meeting as well as during the Meeting, using the service of National Securities Depository Limited ("**NSDL**") so as to enable the Ordinary Shareholders of the Company to consider and if thought fit, approve, with or without modification(s) the Scheme by way of approval of the Resolution mentioned below. The Ordinary Shareholders may refer the 'Notes' to this Notice for further details on remote e-Voting prior to the Meeting as well as e-Voting during the Meeting.

The Hon'ble Tribunal has appointed Mr. Om Prakash Bhatt (DIN: 00548091), Independent Director of the Company or failing him, Mr. Kosaraju Veerayya Chowdary (DIN: 08485334), Independent Director of the Company or failing him, Ms. Usha Sangwan (DIN: 02609263), Independent Director of the Company to be the Chairperson of the Meeting including for any adjournments thereof. The Hon'ble Tribunal has appointed Mr. P. N Parikh (Membership No. FCS 327 and CP No. 1228), or failing him, Ms. Jigyasa N. Ved (Membership No. FCS 6488 and CP No. 6018), or failing her, Mr. Mitesh Dhabliwala (Membership No. FCS 8331 and CP No. 9511) of M/s Parikh & Associates, Practicing Company Secretaries as Scrutinizer for the Meeting, including any adjournments thereof, to scrutinize the process of remote e-Voting prior to the Meeting as well as e-Voting during the Meeting, to ensure that it is fair and transparent.

The Ordinary Shareholders shall have the facility and option of voting on the Resolution for approval of the Scheme by casting their votes through remote e-Voting prior to the Meeting during the period commencing from **9.00 a.m. (IST) on Friday, April 26, 2024 and ending at 5.00 p.m. (IST) on Monday, April 29, 2024**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Ordinary Shareholders of the Company holding Ordinary Shares either in physical form or in demat form as of **Tuesday, April 23, 2024** ("**Cut-off Date**"), may cast their vote by remote e-Voting. Once the vote on the Resolution is cast by the Ordinary Shareholders, the Ordinary Shareholders shall not be allowed to change it subsequently. The voting rights of the Ordinary Shareholders shall be in the same proportion to the paid-up ordinary share capital held by them as on the close of business hours on the Cut-off Date. A person who is not a holder of Ordinary Shares as on the Cut-off Date, should treat the Notice for information purposes only.

The Statement under Section(s) 102, 230 to 232 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, SEBI Listing Regulations, SEBI Scheme Circulars and other applicable circulars issued by SEBI, along with a copy of the Scheme and other Annexures to the Statement are enclosed herewith. A copy of this Notice, Statement and Annexures to the Notice and Statement are available on the website of the Company at www.tatamotors.com, the website of NSDL at www.evoting.nsdl.com being the depository appointed by the Company to provide remote e-Voting /e-Voting and other facilities for the Meeting, the websites of the stock exchanges where the Ordinary Shares of the Company are listed i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com, and www.nseindia.com respectively, and the website of SEBI at www.sebi.gov.in. A copy of the Notice along with the Statement and other

accompanying documents can be obtained free of charge, between **Saturday, March 30, 2024 and Tuesday, April 30, 2024 from 09.00 a.m (IST) to 4.00 p.m (IST)** on any day (except Saturday, Sunday and public holidays) up to 1 (one) day prior to the date of the Meeting from the registered office of the Company. Alternatively, a written request in this regard, along with details of your shareholding in the Company, may be addressed to the Company Secretary at inv_rel@tatamotors.com and the Company will arrange to send the same to you at your registered address.

The Ordinary Shareholders, are requested to consider, and if thought fit, to pass with requisite majority the following Resolution:

“RESOLVED THAT pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (**“the Act”**) read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016) (including any statutory modification or re-enactment thereof) applicable circulars and notifications issued by the Ministry of Corporate Affairs, the Securities Exchange Board of India Act, 1992 and the Regulations thereunder including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022 issued by SEBI, and other applicable SEBI circulars, the Observation letter(s) issued by BSE Limited and National Stock Exchanges of India Limited on December 20, 2023 and December 21, 2023, respectively, the provisions of the Memorandum of Association and Articles of Association of Tata Motors Limited (the **“Company”**), and subject to the approval of the Hon’ble National Company Law Tribunal, Mumbai Bench (hereinafter referred to as **“Hon’ble Tribunal”** or **“NCLT”**) and such other approvals, permissions and sanctions of any other relevant statutory or regulatory authorities as may be required, and subject to such conditions and modifications as may be prescribed or imposed by the Hon’ble Tribunal, or by any statutory or regulatory authority(ies), while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to mean and include one or more committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the proposed arrangement embodied in the Scheme of Arrangement amongst the Company and its shareholders and creditors (**“Scheme”**), as enclosed

with the Notice of the NCLT convened Meeting of the Ordinary Shareholders, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem desirable, appropriate or necessary, to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Hon’ble Tribunal or its appellate authority(ies) while sanctioning the arrangement embodied in the Scheme or by any regulatory or statutory authority(ies), or as may be required for the purpose of resolving any doubts or difficulties that may arise including passing such accounting entries or making adjustments in the books of accounts of the Company as considered necessary, while giving effect to the Scheme, as the Board may deem fit and proper, without being required to seek any further approval of the Ordinary Shareholders and the Ordinary Shareholders shall be deemed to have given their approval thereto expressly by authority under this Resolution.

RESOLVED FURTHER THAT the Board may delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable, without any further approval from shareholders of the Company.”

Sd/-
Om Prakash Bhatt
DIN: 00548091

Date: March 29, 2024
Place: Mumbai

Chairperson appointed for the Meeting of
Ordinary Shareholders of Tata Motors Limited

Registered Office:
Tata Motors Limited
Bombay House, 24, Homi Mody Street,
Fort, Mumbai - 400 001
Tel: +91 22 6665 8282
Email: inv_rel@tatamotors.com; Website: www.tatamotors.com
CIN: L28920MH1945PLC004520

Notes:

- Pursuant to the directions of the Hon'ble Tribunal vide its Orders, the Meeting of the Ordinary Shareholders of the Company is being conducted through VC/ OAVM facility to transact the business set out in the Notice convening this Meeting. The Meeting will be conducted in compliance with the provisions of the Act, SEBI Scheme Circulars, read with other applicable SEBI circulars issued by SEBI, SS-2 and in compliance with the MCA Circulars. Accordingly, the Meeting of the Ordinary Shareholders of the Company will be convened on **Tuesday, April 30, 2024, at 2.30 p.m. (IST)**, through VC/ OAVM, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme.

The deemed venue for the Meeting shall be the registered office of the Company.

- The Statement pursuant to Sections 102, 230 to 232 of the Act read with other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 read with SEBI Listing Regulations, SEBI Scheme Circulars and applicable circulars issued by SEBI in respect of the business set out in the Notice of the Meeting is annexed hereto. Further, additional information as required under the SEBI Scheme Circulars and the observation letters of BSE Limited and National Stock Exchange of India dated December 20, 2023 and December 21, 2023, respectively are also annexed.

- As per the directions provided in the Orders of the Hon'ble Tribunal, and in compliance with the MCA Circulars, the Notice of the Meeting and the accompanying documents mentioned in the Index are being sent only through electronic mode via e-mail to those Ordinary Shareholders whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/Depository Participant(s) (DP)/depositories as on **Thursday, March 21, 2024**. Physical copy of the notice along with accompanying documents will be sent to those Ordinary Shareholders who request the same.

The Notice convening the Meeting will be published through advertisement in the 'Financial Express' in English language, having wide circulation and 'Loksatta' in the Marathi language, indicating *inter alia* the day, date and time of the Meeting.

- The Ordinary Shareholders may note that the aforesaid documents are also available on the website of the Company at www.tatamotors.com and on the website of the stock exchanges where the Ordinary Shares of the Company are listed i.e., BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com and that of SEBI at www.sebi.gov.in
- The SEBI Scheme Circular, *inter alia*, provides that approval of Public Shareholders of the Company to the Scheme shall also be obtained by way of e-Voting. Since, the Company is seeking the approval of all Ordinary Shareholders (including that of Public Shareholders) to the Scheme by way of e-Voting, no separate procedure would be required to be carried out by the Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Scheme Circular. The aforesaid Notice sent to the Ordinary Shareholders (including Public Shareholders) of the Company would be deemed to be the notice sent to the Public Shareholders of the Company. In terms of SEBI Scheme Circular, the Company has provided the facility of e-Voting to its Public Shareholders. Further, in accordance with the SEBI Scheme Circular, the Scheme shall be acted upon only if the number of votes cast by the Public Shareholders in favour of the aforesaid Resolution for approval of Scheme is more than the number of votes cast by the Public Shareholders against it.
- Only registered Ordinary Shareholders, whose name are recorded in the Register of Members maintained by the Company/Registrar and Transfer Agents ("RTA") or in the Register of Beneficial Owners maintained by the depositories as on the **Cut-off Date i.e., Tuesday, April 23, 2024** shall be entitled to exercise their voting rights on the Resolution proposed in the Notice and attend the Meeting. A person who is not an Ordinary Shareholder as on the Cut-off Date should treat the Notice for information purpose only.

- The Ordinary Shareholders shall be entitled to 1 (one) vote for every 1 (one) Ordinary Shares held as on the close of business hours on Cut-off Date i.e., **Tuesday, April 23, 2024** as per the Register of Members maintained by the Company/ RTA or in the Register of Beneficial Owners as maintained by the depositories i.e., NSDL/ Central Depository Services (India) Limited ("CDSL") (NSDL and CDSL shall be collectively referred to as "Depositories").
- The voting period for remote e-Voting (prior to the Meeting) shall commence on and from **Friday, April 26, 2024 at 9:00 a.m. (IST)** and shall end on **Monday, April 29, 2024 at 5:00 p.m. (IST)**. The remote e-Voting module shall be disabled by NSDL thereafter. The Company is additionally providing the facility of e-Voting at the Meeting.
- PURSUANT TO THE PROVISIONS OF THE ACT, AN ORDINARY SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE AN ORDINARY SHAREHOLDER OF THE COMPANY. SINCE THIS MEETING IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF ORDINARY SHAREHOLDERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE ORDINARY SHAREHOLDERS WILL NOT BE AVAILABLE FOR THIS MEETING AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE MEETING ARE NOT ANNEXED TO THIS NOTICE.**
- Facility to join the Meeting shall be opened 30 (thirty) minutes before the scheduled time of the Meeting. The Ordinary Shareholders will be able to view the live proceedings of the Meeting on the NSDL's e-Voting website at www.evoting.nsdl.com. The facility of participation at the Meeting through VC/OAVM will be made available to Ordinary Shareholders on a first come first serve basis as per MCA Circulars.
- Pursuant to provisions of Sections 112 and 113 of the Act, the authorized representative of corporate Ordinary Shareholders/ institutional investors (i.e. other than individuals, HUF's, NRI's, etc.) appointed in pursuance of, may attend and vote at the Meeting (either in person or by authorised representative) provided they send a legible scan certified true copy of the board Resolution or governing body Resolution/authority letter/power of attorney of the Board, etc. together with attested specimen signature(s) of the duly authorized representative(s). The said Resolution/authorisation, self-attested by the person so authorized to attend the Meeting, shall be emailed to the Company at inv_rel@tatamotors.com and Scrutinizer at tml.scrutinizer@gmail.com with a copy marked to evoting@nsdl.com at least 48 (forty-eight) hours before the Meeting.
- Ordinary Shareholders attending the Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act and as per the terms of the Orders of the NCLT. Further, the Orders also directs that in case the required quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by 30 (thirty) minutes and thereafter, the persons present shall be deemed to constitute the quorum.
- In case of joint holders attending the Meeting, only such joint Ordinary Shareholders 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 Meeting.
- It is clarified that casting of votes by remote e-Voting (prior to the Meeting) does not disentitle Ordinary Shareholders from attending the Meeting. However, after exercising right to vote through remote e-Voting prior to the Meeting, a Ordinary Shareholder shall not be allowed to vote again at the Meeting. In case the Ordinary Shareholders cast their vote via both the modes i.e., remote e-Voting prior to the Meeting as well as during the Meeting, then voting done through remote e-Voting before the Meeting shall prevail once the vote on a Resolution is cast by the Ordinary Shareholders, whether partially or otherwise. The Ordinary Shareholders shall not be allowed to change it subsequently.

The Ordinary Shareholders are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting and manner of casting vote through remote e-Voting prior to the Meeting or e-Voting during the Meeting.

15. Process for Registration of e-mail addresses:

A. One-time registration of e-mail address with RTA for receiving the Notice and casting votes electronically:

To facilitate Ordinary Shareholders to receive this Notice electronically, the Company has made special arrangements with its RTA for registration of e-mail addresses for Ordinary Shareholders who wish to receive the Notice electronically and to cast their votes. Eligible Ordinary Shareholders whose email addresses are not registered with the Company/Depository Participants (DP) are required to provide the same to RTA on or before **5:00 p.m. IST on Sunday, April 21, 2024** pursuant to which, any Ordinary Shareholder may receive on the email address provided by the Ordinary Shareholder, the Notice of the Meeting and the procedure for remote e-Voting along with the login ID and password for remote e-Voting.

B. Process to be followed for one-time registration of e-mail address (for Ordinary Shares held in physical form or in electronic form) is as follows:

- Visit the link <https://liiplweb.linkintime.co.in/EmailReg/EmailRegister.html>
- Select the Name of the Company from dropdown: **Tata Motors Limited**
- Enter the DP ID and Client ID (if the Ordinary Shares held in electronic form)/ Folio No. and Certificate no. (if the Ordinary Shares are held in physical form), shareholder Name, PAN details, mobile number and e-mail id.
- System will send One Time Password ("OTP") on mobile no. and e-mail id.
- Enter OTP received on mobile no. and email id.

After successful submission of the e-mail address, NSDL will e-mail a copy of this Notice, Statement and Annexures along with the e-Voting user ID and password. If you are an individual Ordinary Shareholder holding Ordinary Shares in demat mode, you are requested to refer to the login method explained below i.e, Login method for e-Voting for individual Ordinary Shareholders holding Ordinary Shares in demat mode. In case of any queries, Ordinary Shareholders may write to csg.unit@tcplindia.co.in or evoting@nsdl.com.

C. Registration of e-mail address permanently with the Company/RTA/DP: Ordinary Shareholders are requested to register the e-mail address with their concerned DPs, in respect of Ordinary Shares held in demat mode and in respect of Ordinary Shares held in physical mode, please visit <https://tcplindia.co.in/client-downloads.html> to know more about the registration process. Further, those Ordinary Shareholders 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/integrated reports and other communications electronically to their e-mail address in future.

Alternatively, those Ordinary Shareholders who have not registered their email addresses are required to send an email request to evoting@nsdl.com along with the following documents for procuring user ID and password for e-Voting for the Resolutions set out in this Notice:

- In case Ordinary 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 Ordinary 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.

16. Instruction for e-Voting and joining the Meeting are as follows:

A. PROCESS AND MANNER FOR VOTING THROUGH ELECTRONIC MEANS:

- In compliance with the provisions of: (a) Sections 108, 110 and 230(4) of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014; (b) Regulation 44 and other applicable provisions of the SEBI Listing Regulations; (c) Secretarial Standard-2 on General Meetings; (d) SEBI circulars; and (e) MCA Circulars, the Company is providing its Ordinary Shareholders the facility of remote e-Voting to its Ordinary Shareholders in respect of the business to be transacted at the Meeting. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Ordinary Shareholder using remote e-Voting system as well as e-Voting during the Meeting will be provided by NSDL.
- Ordinary Shareholders of the Company holding Ordinary Shares either in physical form or in demat form as on the Cut-off Date of **Tuesday, April 23, 2024** may cast their vote by remote e-Voting. A person who is not an Ordinary Shareholder as on the Cut-off Date should treat this Notice for information purpose only. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date only shall be entitled to avail the facility of remote e-Voting before the Meeting as well as e-Voting during the Meeting.

Any Ordinary Shareholder(s) holding Ordinary Shares in physical form or non-individual Ordinary Shareholders who acquire Ordinary Shares of the Company and becomes an Ordinary Shareholder of the Company after dispatch of the Notice and holding Ordinary Shares as on the Cut-off Date i.e. **Tuesday, April 23, 2024**, may obtain the User ID and Password by sending a request at evoting@nsdl.com. However, if a person is already registered with NSDL for remote e-Voting then the Ordinary Shareholders can use their existing User ID and password for casting the vote. If a Ordinary Shareholder has forgotten their password, the Ordinary Shareholder can reset the password by using 'Forgot User Details/Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000.

In case of individual Ordinary Shareholder who acquires Ordinary Shares of the Company and becomes a Ordinary Shareholder of the Company after dispatch of the Notice and holds Ordinary Shares in demat mode as on the Cut-off Date may follow the steps mentioned under '**Login method for e-Voting and joining virtual meeting for individual Ordinary Shareholders holding Ordinary Shares in demat mode**'.

- The remote e-Voting period starts on **Friday, April 26, 2024 at 9:00 a.m. (IST)** and ends on **Monday, April 29, 2024 at 5:00 p.m. (IST)**. The remote e-Voting module shall be disabled by NSDL thereafter. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories on the Cut-off Date may cast their vote electronically. The voting rights of the Ordinary Shareholders shall be 1 (one) vote for every 1 (one) Ordinary Shares held in the Company as on the close of business hours on Cut-off Date as per the Register of Members/list of Beneficial Owners as furnished by the RTA or Depositories.

4. Once the vote on a Resolution is cast by the Ordinary Shareholder, the Ordinary Shareholder shall not be allowed to change it subsequently. The Company is additionally providing the facility of e-Voting at the Meeting.
5. Ordinary Shareholders will be provided with the facility for voting through electronic voting system during the VC/OAVM proceedings at the Meeting and Ordinary Shareholders participating at the Meeting, who have not already cast their vote on the Resolution by remote e-Voting prior to the Meeting will be eligible to exercise their right to vote on such Resolution upon announcement by the Chairperson. Ordinary Shareholders who have cast their vote on Resolution(s) by remote e-Voting prior to the Meeting will also be eligible to participate at the Meeting through VC/OAVM but shall not be entitled to cast their vote on such Resolution again. The remote e-Voting module on the day of the Meeting shall be disabled by NSDL for voting, 15 (fifteen) minutes after the conclusion of the Meeting.
6. As directed by the Hon'ble Tribunal, Mr. P. N Parikh (Membership No. FCS 327 and CP No. 1228), or failing him, Ms. Jigyasa N. Ved (Membership No. FCS 6488 and CP No. 6018), or failing her, Mr. Mitesh Dhabliwala (Membership No. FCS 8331 and CP No. 9511) of M/s Parikh & Associates, Practicing Company Secretaries, shall act as Scrutinizer to scrutinize the remote e-Voting process (prior to and during the Meeting), in a fair and transparent manner.

B. INSTRUCTIONS FOR ORDINARY SHAREHOLDERS FOR ATTENDING THE MEETING THROUGH VC/OAVM AND REMOTE E-Voting (BEFORE AND DURING THE MEETING) ARE AS UNDER

1. Ordinary Shareholders will be able to attend the Meeting through VC/OAVM or view the live webcast of Meeting provided by NSDL at <https://www.evoting.nsdl.com> by following the steps mentioned under 'Access to NSDL e-Voting system'. After successful login, Ordinary Shareholders can click on link of 'VC/OAVM' placed under 'Join Meeting' menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in 'Shareholder/Member' login where the EVEN of the Company will be displayed. Ordinary Shareholders who do not have the User ID and Password for e-Voting or have forgotten the User ID/Password may retrieve the same by following the process as mentioned in paragraph titled 'The instructions for remote e-Voting before/during the Meeting' in the Notice to avoid last minute rush.
2. Ordinary Shareholders are encouraged to submit their questions in advance with respect to the Scheme. These queries may be submitted from their registered e-mail address, mentioning their name, DP ID and Client ID/ folio number

and mobile number, to reach the Company's email address at inv_rel@tatamotors.com before at **5:00 p.m. (IST) on Friday, April 26, 2024.**

3. Ordinary Shareholders who would like to express their views/ask questions at the Meeting are required to 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 **Tuesday, April 23, 2024 at 9:00 a.m. (IST) and Thursday, April 25, 2024 at 5:00 p.m. (IST).** The Company reserves the right to restrict the number of speakers depending on the availability of time for the Meeting. Further, the sequence in which the shareholders will be called upon to speak will be solely determined by the Company.
4. Ordinary Shareholders who need assistance before or during the Meeting may contact NSDL on evoting@nsdl.com or call at 022 - 4886 7000 or Pallavi Mhatre or contact 022 - 4886 7000 - NSDL at evoting@nsdl.com.

INSTRUCTIONS FOR REMOTE E-Voting PRIOR/DURING THE MEETING:

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

Step 1: Access NSDL e-Voting system

Step 2: Cast your vote electronically and join Meeting on NSDL e-Voting system.

Access to NSDL e-Voting system:

A. Login method for e-Voting and joining virtual meeting for individual Ordinary Shareholders holding Ordinary Shares in demat mode

In order to increase the efficiency of the voting process and in pursuance of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, e-Voting facility is being provided to all the demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/Depository Participants. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail-id in their demat accounts in order to access e-Voting facility.

Login method for Individual Ordinary Shareholders holding Ordinary Shares in demat mode is given below:

Type of shareholders	Login Method
Individual Ordinary Shareholders holding Ordinary Shares in demat mode with NSDL.	A. NSDL IDEAS facility If you are not registered, follow the below steps: 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-Services is launched, click on “Beneficial Owner” icon under “Login” which is available under “IDEAS” section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services under Value Added Service Section. 4. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against Company name or e-Voting service provider - NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting. If you are not registered, follow the below steps: a. Option to register is available at https://eservices.nsdl.com. b. Select “Register Online for IDEAS” portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c. Please follow steps given in points 1-5. B. e-Voting website of NSDL: 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL site wherein you can see e-Voting page. Click on company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting. C. Ordinary Shareholders can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Ordinary Shareholders holding Ordinary Shares in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number and e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Ordinary Shareholders (holding Ordinary Shares in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-Voting feature. 3. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.

Helpdesk for Individual Ordinary Shareholders holding Ordinary Shares in demat mode for any technical issues related to login through Depositories i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Ordinary Shareholders holding Ordinary Shares in demat mode with NSDL	Ordinary Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Ordinary Shareholders holding Ordinary Shares in demat mode with CDSL	Ordinary Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for Ordinary Shareholders other than Individual Ordinary Shareholders holding Ordinary Shares in demat mode and Ordinary Shareholders holding Ordinary Shares in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile phone.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP 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.

- Your User ID details are given below

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Ordinary Shareholders who hold Ordinary 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 Ordinary Shareholders who hold Ordinary 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 Ordinary Shareholders holding Ordinary Shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 128149 then user ID is 101456001***

- Password details for Ordinary Shareholders other than Individual Ordinary Shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- 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 Ordinary Shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - (a) Click on "Forgot User Details/Password?" (If you are holding Ordinary Shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) Physical User Reset Password? (If you are holding Ordinary Shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - (d) Ordinary Shareholders can also use the OTP based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details of Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system and join Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see 'EVEN' of all the companies in which you are holding shares and whose voting cycle and Meeting is in active status.
2. Select 'EVEN' of the Company, in case Ordinary Shares – 128149 for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Meeting. For joining virtual Meeting, you need to click on 'VC/OAVM' link placed under 'Join Meeting'.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

The instructions for e-Voting during the Meeting as under:

1. The procedure for remote e-Voting during the Meeting is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
2. Only those Ordinary Shareholders who will be present in the Meeting through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to

vote on such Resolution(s) through e-Voting system at the Meeting.

General Guidelines for shareholders

1. Institutional Ordinary 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.com.
2. 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 5 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.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the 'Downloads' section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 or send a request to Ms Pallavi Mhatre at evoting@nsdl.com.

OTHER INSTRUCTIONS:

1. The Hon'ble Tribunal has appointed Mr. P. N. Parikh (Membership No. FCS 327 and CP No. 1228) or failing him Ms. Jigyasa Ved (Membership No. FCS 6488 and CP No. 6018) or failing her, Mr. Mitesh Dhaliwala (Membership No. FCS 8331 and CP No. 9511) of M/s Parikh & Associates, Practising Company Secretaries, as the Scrutinizer to scrutinize the remote e-Voting process as well as e-Voting during the Meeting in a fair and transparent manner.
2. The Scrutinizer shall immediately after the conclusion of voting at the Meeting unblock the votes cast through remote e-Voting (votes cast during the Meeting and votes cast prior to the Meeting) and make, not later than 2 (two) working days of conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairperson of the Meeting or to any other person so authorized by him (in writing), who shall countersign the same.
3. The results declared along with the scrutinizer's report shall be placed on the website of the Company www.tatamotors.com, at the registered office of the Company and on the website of NSDL www.evoting.nsdl.com. The Company shall simultaneously communicate the results to BSE Limited and National Stock Exchange of India Limited, where the Ordinary Shares of the Company are listed.

Sd/-

Om Prakash Bhatt

DIN: 00548091

Date: March 29, 2024

Place: Mumbai

Chairperson appointed for the Meeting of Ordinary Shareholders of Tata Motors Limited

Registered Office:

Tata Motors Limited

Bombay House, 24, Homi Mody Street,

Fort, Mumbai – 400 001

Tel: +91 22 6665 8282

Email: inv_rel@tatamotors.com; Website: www.tatamotors.com

CIN: L28920MH1945PLC004520

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. CA(CAA) 9/MB/2024**

[Pursuant to Section 230(3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

In the matter of the Companies Act, 2013;

And

In the matter of the Application under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016;

And

In the matter of the Scheme of Arrangement among Tata Motors Limited, and its shareholders and creditors.

Tata Motors Limited, a public listed company incorporated under the provisions of the Companies Act, 1913, having CIN: L28920MH1945PLC004520 and having its registered office at Bombay House, 24 Homi Mody Street, Mumbai 400001

...Applicant Company

STATEMENT UNDER SECTION(S) 102, 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("ACT") AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI LISTING REGULATIONS") READ WITH THE SEBI SCHEME CIRCULARS (DEFINED BELOW) OTHER APPLICABLE CIRCULARS ISSUED BY SEBI, EACH AS AMENDED, ACCOMPANYING THE NOTICE CONVENING THE MEETING OF THE ORDINARY SHAREHOLDERS OF TATA MOTORS LIMITED ("COMPANY" OR "TML" AND SUCH SHAREHOLDERS, THE ORDINARY SHAREHOLDERS") PURSUANT TO THE ORDERS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH, DATED MARCH 22, 2024 and ORDER DATED MARCH 28, 2024

1. Meeting for the Scheme

This is an explanatory statement ("Statement") accompanying the notice convening the meeting of the Ordinary Shareholders of Tata Motors Limited ("TML/the Company") ("Notice"), pursuant to the orders dated March 22, 2024 and Order dated March 28, 2024 ("Orders"), passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT" or "Hon'ble Tribunal") in the Company Scheme Application C.A.(CAA) No.9/MB of 2024, to be held on **Tuesday, April 30, 2024 at 2.30 p.m (IST)** through VC/OAVM means ("Tribunal Convened Meeting" or "Meeting") for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement amongst the Company and its shareholders and creditors, pursuant to Sections 230 to 232 of the Act, read with any other applicable provisions of the Act, alongwith the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (including any statutory modifications (s), or re-enactment thereof, for the time being in force), applicable general circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations") read with SEBI master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, ("SEBI Scheme Circular") and SEBI circular no. SEBI/HO/DDHS/

PoD1/P/CIR/2023/108 dated July 29, 2022 issued by SEBI, ("SEBI Scheme Circular - Debt") (together referred to as "SEBI Scheme Circulars"), other applicable circulars issued by SEBI and Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India ("SS-2"), each as amended from time to time. A copy of the Scheme is enclosed herewith as **Annexure 1**.

2. The proposed Scheme was placed before the Audit Committee and Committee of Independent Directors of the Company at their respective meetings held on July 24, 2023. On the basis of their respective evaluation and independent judgment and consideration of the valuation report dated July 24, 2023 issued by PwC Business Consulting Services LLP, Registered Valuers (with IBBI Registration No. IBBI/RV-E/02/2022/158) ("Valuation Report"), enclosed as **Annexure 2**, the fairness opinion dated July 24, 2023 issued by Citigroup Global Markets India Private Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. INM000010718), enclosed as **Annexure 3A**, the fairness opinion dated July 24, 2023 issued by Axis Capital Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. MB/INM000012029), enclosed as **Annexure 3B** (hereinafter collectively referred to as "Fairness Opinions"), the certificates dated July 25, 2023 and August 21, 2023, issued by BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), the statutory auditors of TML, to the effect that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act, enclosed as **Annexure 4** (hereinafter referred to as "Auditors' Certificate on conformity of accounting treatment"), and the pricing certificate dated July 25, 2023 issued by BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), statutory auditors of the Company certifying that the minimum price of the Ordinary Shares (as defined in Paragraph [3(a)] below) proposed to be issued pursuant to the Scheme is in compliance with the provisions pertaining to pricing as contained in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, enclosed as **Annexure 5** (hereinafter referred to as "Pricing Certificate"), the Audit Committee and the Committee of Independent Directors in their respective reports, enclosed as **Annexure 6** and **Annexure 7** respectively, recommended the Scheme to the Board (as defined below).
3. The Scheme, *inter alia*, provides for the following:
 - (a) reduction through cancellation of the 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares (the Ordinary Shares issued by the Company as the consideration pursuant to the Scheme is hereinafter referred to as 'New Ordinary Shares' for ease of reference), as consideration other than cash for such reduction;
 - (b) creation of a Trust (as defined below) which will receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders (as defined below) as contemplated under the Scheme and the mechanism to discharge obligations and completion in terms of the Scheme; and
 - (c) various other matters incidental to, consequential to and/ or otherwise connected with the above, under Sections 230 - 232 and other applicable provisions of the Act and the SEBI Scheme Circular and SEBI Scheme Circular - Debt.
4. **Rationale and need of the Scheme, and the benefits of the Scheme, as perceived by the Board:**

The Company issued the 'A' Ordinary Shares in 2008 as part of a rights issue with the objective of, *inter alia*, funding certain overseas investments. The 'A' Ordinary Shares were issued at a discount to the Ordinary Shares (as defined in the Scheme).

The rights attached to the 'A' Ordinary Shares are similar to the rights attached to the Ordinary Shares in all respects except as to voting and dividend, as detailed in Clause 1.1(e) of the Scheme. This was the first issuance of 'A' Ordinary Shares by the Company and as on the date of issuance of the 'A' Ordinary Shares, there were limited instances of issuances of equity shares with differential rights as to voting and dividend by Indian listed companies of the Company's market capitalization and size.

Subsequent regulatory changes restricted the issuance of shares with differential voting rights, resulting in a narrow market for similar instruments. The discount in the price at which the 'A' Ordinary Shares trade vis-a-vis the Ordinary Shares has increased since the date of listing of the 'A' Ordinary Shares. This has the effect of significantly understating the Company's market capitalization, contributes to a complex capital structure and increases administrative complexity vis-a-vis maintaining 2 (two) separate classes of shares. In light of this background, the Company seeks to reorganize its share capital in accordance with Section 230 - Section 232 of the Act by cancelling and extinguishing 'A' Ordinary Shares and paying consideration to the 'A' Ordinary Shareholders in the form of New Ordinary Shares.

Benefits of the Scheme

The reorganization of share capital envisaged by the Scheme would result in following synergies:

- simplify and consolidate the Company's capital structure and preserve liquidity for the Company's growth; and
- be value accretive and beneficial for all shareholders of the Company and allow the 'A' Ordinary Shareholders and Ordinary Shareholders to continue to participate in the Company's performance.
- The net worth of the Company as on September 30, 2023 was INR 21,876.82 crore (Indian Rupees Twenty One Thousand Eight Hundred and Seventy Six Crores and Eighty Two Lakhs only). The reduction of the 'A' Ordinary Shares contemplated by the Scheme will not affect the ability or liquidity of the Company to meet any of its financial obligations/ commitments. The Scheme will not have any adverse impact on the creditors as further elaborated in Clause 11 of the Scheme.
- The Scheme will be in the best interest of the concerned stakeholders of the Company, including the Ordinary Shareholders and the 'A' Ordinary Shareholders.
- The issuance of consideration in the form of New Ordinary Shares rather than cash will have various benefits, including: (a) preserving liquidity for the Company's growth; (b) allowing the shareholders holding the 'A' Ordinary Shares to continue to participate in the Company's performance; and (c) the benefits set out in Paragraph 4.

5. Cost Benefit Analysis

Although the Scheme would lead to the Company incurring costs towards its implementation the benefits of the Scheme over a longer period of time will outweigh such costs for the stakeholders of the Company.

6. Background of the Company

TML is a listed public company incorporated under the Companies Act, 1913 on September 1, 1945 under the provisions of the Indian Companies Act, 1913 originally incorporated as a limited company on September 01, 1945 under the name of Tata Locomotive and Engineering Company Limited. The name of the Company was changed to 'Tata Engineering and Locomotive Company Limited' on September 24, 1960 and thereafter to 'Tata Motors Limited' on July 29, 2003. The Company has its registered office at Bombay House, 24 Homi Mody Street, Fort, Mumbai – 400001, Maharashtra. The Corporate Identification Number of the Company is L28920MH1945PLC004520 and the PAN number is AAAC2727Q. E-mail address of the Company is inv_rel@tatamotors.com

The equity shares of the Company (Ordinary Shares and 'A' Ordinary Shares) are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (hereinafter collectively referred as the "Stock Exchanges"). The senior notes of the Company are listed on the SGX-ST market, which is a listed market regulated by the Singapore Stock Exchange. Further, the unsecured redeemable non-convertible debentures of the Company are listed on the wholesale debt market segments of the Stock Exchanges.

There has been no change in the name, registered office and objects of the Company in the last 5 (five) years.

6.1. The main business carried on by the Company and the extract of the main objects of the Company as per the Memorandum of Association have been reproduced below for the perusal of the Ordinary Shareholders:

The Company, directly and indirectly through its subsidiaries and joint ventures, is engaged, *inter alia*, in the business of design, development, manufacturing and sale of a wide range of commercial, passenger and electric vehicles and parts thereof within India and abroad. The relevant objects of the Company as set out in clause III of its Memorandum of Association are as under:

- "1. To carry on the business of manufacturing, assembling, buying, selling, re-selling, exchanging, altering, importing, exporting, hiring, letting on hire, or distributing or dealing in locomotives, boilers, engines steam gas electrical or otherwise, turbines, tanks, motor vehicles, trucks, lorries, omnibuses, buses, motorcycles, cycle cars, scooters, bicycles, tricycles, cycles, tractors, bulldozers and steam rollers of every description and kind and all component parts, spare parts, accessories, equipment and apparatus for use in connection therewith."
- "56. To undertake and execute any trust the undertaking of which may seem to the Company desirable either gratuitously or otherwise."
- "64. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them in India or elsewhere in any other part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others and so that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body or persons, whether incorporated or not incorporated and the intention is that the objects set forth in each of the several paragraphs of this Clause shall have the widest possible construction and shall be in no wise limited or restricted by, reference to or inference from the terms of any other paragraph of this Clause or the name of the Company."

6.2. A. The capital structure of the Company of as on December 31, 2023 (Pre-Scheme Capital) is as below:

Particulars	Amount in ₹	Amount in ₹
Authorised Share Capital		
4,00,00,00,000 Ordinary Shares of ₹2/- each	8,00,00,00,000	
1,00,00,00,000 'A' Ordinary Shares of ₹2/- each	2,00,00,00,000	
30,00,00,000 Convertible Cumulative Preference Shares of ₹100/- each	30,00,00,00,000	
Total		40,00,00,00,000
Issued Share Capital		
3,32,33,39,674 Ordinary Shares of ₹2/- each	6,64,66,79,348	
50,87,36,110 'A' Ordinary Shares of ₹2/- each	1,01,74,72,220	
Total		7,66,41,51,568
Subscribed Share Capital		
3,32,28,47,115 Ordinary Shares of ₹2/- each	6,64,56,94,230	
50,85,02,896 'A' Ordinary Shares of ₹2/- each	1,01,70,05,792	
Total		7,66,27,00,022
Paid-up Share Capital		
3,32,28,47,115 Ordinary Shares of ₹2/- each	6,64,56,94,230	
Less: Calls in arrears:		
i) 310 Ordinary Shares of ₹2/- each (₹1/- outstanding on each)	310	

Particulars	Amount in ₹	Amount in ₹
ii) 260 Ordinary Shares of ₹2/- each (₹0.50/- outstanding on each)	130	
(310+260)=570 shares	(310+130)=440	
Add: Share Forfeiture		
iii) Paid up value of partly paid Ordinary Shares which were forfeited in 1998-99 and 1999-2000 due to non-receipt of call monies.	477,945	
Ordinary Shares of ₹2/- each		6,646,171,735
50,85,02,896 'A' Ordinary Shares of ₹2/- each		1,01,70,05,792
Grand Total		7,66,31,77,527

B. The capital structure of the Company (Post-Scheme Capital) is as below:

Particulars	Amount in ₹	Amount in ₹
Authorised Share Capital		
5,00,00,00,000 Ordinary Shares of ₹2/- each	10,00,00,00,000	
30,00,00,00,000 Convertible Cumulative Preference Shares of ₹100/- each	30,00,00,00,000	
Total		40,00,00,00,000
Issued Share Capital		
3,679,454,951 Ordinary Shares of ₹2/- each	7,358,909,902	
Total		7,358,909,902
Subscribed Share Capital		
3,678,799,142 Ordinary Shares of ₹2/- each	7,357,598,284	
Total		7,357,598,284
Paid-up Share Capital		
3,678,799,142 Ordinary Shares of ₹2/- each	7,357,598,284	
Less: Calls in arrears:		
i) 310 Ordinary Shares of ₹2/- each (₹1/- outstanding on each)	310	
ii) 260 Ordinary Shares of ₹2/- each (₹0.50/- outstanding on each)	130	
(310+260)=570 shares	(310+130)=440	
Add: Share Forfeiture		
iii) Paid up value of partly paid Ordinary Shares which were forfeited in 1998-99 and 1999-2000 due to non-receipt of call monies.	477,945	
Ordinary Shares of ₹2/- each		7,35,80,75,789
Grand Total		7,35,80,75,789

Note: The Company has outstanding employee stock options and performance share units under its Employee Stock Option Scheme (as defined in the Scheme), the exercise of which may result in an increase in its number of Ordinary Shares and its issued and paid-up capital from time to time. The total number of Ordinary Shares that can be issued under: (a) Tata Motors Limited Employees Stock Option Scheme 2018; and (b) Tata Motors Limited Share-based Long Term Incentive Scheme 2021 shall not exceed 0.406% (point four zero six percent) and 0.235% (point two three five percent), respectively, of the issued share capital of the Company.

6.3. Financial details of the Company: The financial statement of the Company for the financial year ended March 31, 2023 and audited standalone and unaudited consolidated financial results of the Company for the quarter and nine months ended December 31, 2023 are annexed as **Annexure 13A** and **Annexure 13B** respectively to this Notice and are also available on the website of the Company at www.tatamotors.com.

6.4. The details of Promoter and Promoter Group of the Company as on December 31, 2023 is as under:

S. No.	Name of the Promoter/ Promoter Group	Category	Address
1.	Tata Sons Private Limited	Promoter	Bombay House, 24, Homi Mody Street, Fort, Mumbai, Maharashtra – 400 001
2.	Tata Industries Limited	Promoter Group	
3.	Tata Chemicals Limited		
4.	Tata Steel Limited		
5.	The Tata Power Company Limited		
6.	Tata Investment Corporation Limited	Promoter Group	Elphinstone Building, 10,Veer Nariman Road, Mumbai, Maharashtra, India, 400001
7.	Ewart Investments Limited		
8.	Simto Investment Company Limited		
9.	Tata Consumer Products Limited		1, Bishop Lefroy Road, Kolkata, West Bengal, India, 700020
10.	*Sir Ratan Tata Trust - Name of the Trustees – Mr. R.N. Tata, Mr Vijay Singh, Mr N.N. Tata, Mr Venu Srinivasan, Mr. J.N Tata, Mr R.K Krishna Kumar, Mr N.N Tata, Mr Jehangir H.C Jehangir	Promoter Group	Bombay House, 24, Homi Mody Street, Fort, Mumbai, Maharashtra – 400 001.
11.	*Sir Dorabji Tata Trust, Name of Trustees – Mr. R.N. Tata, Mr Vijay Singh, Mr Venu Srinivasan, Mr R. K. Krishnakumar and Mr. Pramit Jhaveri		
12.	*J R D Tata Trust- Name of Trustee- Mr. R.N. Tata, Mr. Venu Srinivasan, Mr. Vijay Singh		
13.	* Lady Tata Memorial Trust- Name of Trustee- Mr. F K Kavrana, Dr P B Desai, Dr M Chandy		

* have sold their shares in the Company, however they continue to be part of Promoter group.

6.5. Details of Directors and Key Managerial personnel (“KMP”) of Tata Motors Limited as on December 31, 2023:

Sr. No	Name of the Director/KMP	DIN	Designation	Address
1.	Mr. N Chandrasekaran	00121863	Non-Executive - Non Independent Director- Chairperson related to Promoter	Floor 21 and 22, 33, 33 South Condominium, Opposite Sterling Apartments, Peddar Road, Gopalrao Deshmukh Marg, Mumbai 400026
2.	Mr. Om Prakash Bhatt	00548091	Non-Executive - Independent Director	Flat No. 3, Ground Floor, Seagull, Carmichael Road / M L Dahanukar Marg, Mumbai 400026
3.	Ms. Hanne Birgitte Breinbjerg Sorensen	08035439	Non-Executive - Independent Director	Kristianiagade, 6, 2 nd Floor, 2100, Copenhagen O, Denmark
4.	Ms. Vedika Bhandarkar	00033808	Non-Executive - Independent Director	B-8, Sea Face Park, 50, Bhulabhai Desai Road, Mumbai - 400026
5.	Mr. Kosaraju Veerayya Chowdary	08485334	Non-Executive - Independent Director	511, Teja Block, My Home Navadweepa, Madhapur, Hyderabad 500081
6.	Mr. Al Noor Ramji	00230865	Non-Executive - Independent Director	10 Alexander Place, London, SW72SF
7.	Ms. Usha Sangwan	02609263	Non-Executive - Independent Director	1572, First Floor, Sector 33-D, Chandigarh 160020
8.	Mr. Girish Arun Wagh	03119361	Executive Director	Flat No. 3, Pradnya Kiran Apartments, Pradnya Park, Paud Road, Near Mahatma Society, Kothrud, Pune 411038
9.	Mr Pathamadai Balachandran Balaji	02762983	Group Chief Financial Officer and KMP	101, Vasukamal Bldg, Near Agarwal Nursing 14 th Road, Bandra (West) Mumbai, Maharashtra-400050
10.	Mr Maloy Kumar Gupta	05315284	Company Secretary and KMP	Flat No.18C, 18 th Floor, Sagar Sangeet CHS, 58 S B S Road, Colaba, Mumbai – 400 005

7. Salient features and benefits of the Scheme

The salient features of the Scheme, *inter alia*, are extracted below. The capitalized terms used in these salient features shall have the same meaning as ascribed to them in Clause 1 of the Scheme and the salient features are to be read subject to the same rules of interpretation as stated in Clause 2 of the Scheme. The below mentioned salient features are not exhaustive and the shareholders are advised to go through the entire Scheme as well:

“1. Definitions

- 0.1. In this Scheme, unless the context or meaning otherwise requires: (a) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme; and (b) the following words and expressions, wherever used (including in

the recitals and the introductory paragraphs above), shall have the following meanings:

...

- (e) “‘A’ Ordinary Shares” means the equity shares of the Company with differential rights as to voting and dividend as set out below and having a face value of INR 2 (Indian Rupees Two only) each and bearing ISIN IN9155A01020:
- (i) Dividend: The holders of ‘A’ Ordinary Shares receive dividend for a financial year at 5 (five) percentage points more than the aggregate rate of dividend declared on Ordinary Shares for that financial year; and
- (ii) Voting: The holders of ‘A’ Ordinary Shares have the right to attend general meetings and class meetings of all holders of Ordinary Shares, and their voting rights at such meetings are as follows:
- (A) if a Resolution is put to vote by a show of hands, each holder of ‘A’ Ordinary Shares is entitled to 1 (one) vote, i.e., the same number of votes as available to holders of Ordinary Shares; and
- (B) if a Resolution is put to vote by poll or postal ballot, each holder of ‘A’ Ordinary Shares is entitled to 1 (one) vote for every 10 (ten) ‘A’ Ordinary Shares held. Fractional voting rights of holders of ‘A’ Ordinary Shares shall be ignored;
- (h) “Appointed Date” means the Effective Date;
- (i) “Board of Directors” or “Board” in relation to the Company means the board of directors of the Company, and shall include a committee (existing or to be constituted subsequently by the Board) or any other delegate(s) duly authorised for the purposes of the matters pertaining to this Scheme and / or to take decisions prescribed under the Scheme and / or to decide or act on any other matter relating thereto;
- (n) “Effective Date” means the date on which the certified copy of the order of the NCLT sanctioning the Scheme is filed by the Company with the Registrar of Companies;
- References in this Scheme to the date of ‘coming into effect of this Scheme’ or the ‘effectiveness of this Scheme’ or the ‘Scheme coming into effect’ shall mean the Effective Date;
- (o) “Employee Stock Option Scheme” means the: (i) Tata Motors Limited Employees Stock Options Scheme 2018; and/ or (ii) Tata Motors Limited Share-based Long Term Incentive Scheme 2021 and/ or (iii) any other employee stock option schemes to be introduced by the Company;
- (r) “NCD” means the outstanding non-convertible debentures of the Company listed on the Stock Exchanges from time to time, and includes the non-convertible debentures of the Company as listed in Annexure A;
- (v) “Ordinary Shares” means the equity shares of the Company having a face value of INR 2 (Indian Rupees Two only) each and bearing ISIN INE155A01022;
- (y) “Record Date” means the date to be fixed by the Board of Directors for the purpose of determining the names of the holders of ‘A’ Ordinary Shares who shall be entitled to receive consideration under Clause 6;
- (ff) “SEBI Scheme Circular” means the SEBI master circular bearing no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 Master Circular on (i) Scheme of Arrangement by Listed Entities and

(ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated June 20, 2023, as amended from time to time or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

(gg) "SEBIScheme Circular - Debt" means circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022 issued by SEBI, as amended from time to time;

(ll) "Trust" means the irrevocable determinate trust constituted under the Indian Trusts Act, 1882 by the Company, having an independent trustee, for the purposes of receiving the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders, selling the requisite number of New Ordinary Shares to discharge obligations in relation to Taxes, distributing the remaining New Ordinary Shares to the Relevant Shareholders, and undertaking all other related matters as detailed in this Scheme, including in Clause 6.

5. REDUCTION OF THE 'A' ORDINARY SHARES

- 5.1 Upon the Scheme becoming effective, the share capital of the Company pertaining to the 'A' Ordinary Shares (including the subscribed, issued and paid up share capital pertaining to the 'A' Ordinary Shares) as on the Effective Date will be reduced on the Effective Date, i.e., by cancelling and extinguishing all 'A' Ordinary Shares held by the relevant holders of the 'A' Ordinary Shares as on the Record Date, for the consideration mentioned in Clause 6.
- 5.2 The reduction of the share capital of the Company to the extent of the 'A' Ordinary Shares as aforesaid will not involve any diminution of liability in respect of the unpaid share capital.
- 5.3 The reduction of the 'A' Ordinary Shares shall be effected pursuant to and as an integral part of this Scheme per the provisions of Section 230 - Section 232 of the Act pursuant to the order of the NCLT, and the provisions of Section 66 of the Act shall not apply to such reduction. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under the applicable provisions of the Act confirming the reduction of the 'A' Ordinary Shares.
- 5.4 The approvals obtained by the Company in relation to this Scheme (including approvals from the shareholders of the Company pursuant to Section 230 - Section 232 of the Act) shall be deemed to be sufficient approval(s) for giving effect to the provisions of Clause 5 and Clause 6 of this Scheme and for the avoidance of doubt, the Company shall not be required to obtain any separate approvals under Section 52, Section 66 and the other related provisions of the Act to effect the reduction by way of cancellation and extinguishment of 'A' Ordinary Shares. The Company shall not, nor shall be obliged to: (a) in addition to the approvals obtained by the Company in relation to this Scheme, call for a separate meeting of its shareholders and creditors for obtaining their approval for sanctioning the reduction of the 'A' Ordinary Shares or any other steps contemplated under this Scheme; or (b) obtain any additional approvals / compliances, under Section 66 of the Act.
- 5.5 The Scheme will not have any adverse impact on the creditors as further elaborated in Clause 11. There will be no change in the general reserves of the Company as a result of the reduction of 'A' Ordinary Shares pursuant to this Clause 5 of the Scheme. The Company shall not be required to add the words "And Reduced" as a suffix to its name consequent upon such reduction.
- 5.6 Upon the Scheme becoming effective, and without the requirement for any further application, act, deed, consent or other actions from the holders of 'A' Ordinary Shares (including surrendering of share certificates and/ or sending appropriate instructions to the depository participants), the 'A' Ordinary Shares shall stand cancelled, extinguished and rendered invalid in accordance with this Scheme.

6. CONSIDERATION

- 6.1 The consideration for reduction of the 'A' Ordinary Shares pursuant to Clause 5, is payable by way of consideration other than cash. Upon effectiveness of the Scheme and in accordance with the terms hereof, including Clause 5, the Company shall issue New Ordinary Shares to the holders of the 'A' Ordinary Shares as consideration for the reduction and cancellation of the 'A' Ordinary Shares. The issuance of consideration in the form of New Ordinary Shares rather than cash will have various benefits, including: (a) preserving liquidity for the Company's growth; (b) allowing the holders of the 'A' Ordinary Shares to continue to participate in the Company's performance; and (c) the benefits set out in paragraph II.5 of Part A of the Scheme.
- 6.2 For the purposes of, inter alia, transfer of the Capital Reduction Consideration (as defined below) by the Company to the Relevant Shareholders (as defined below), the Company shall, prior to the Effective Date have settled the Trust. The Trust will receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders as contemplated in Clause 6.4, and will thereafter, post-sale of the requisite number of New Ordinary Shares to discharge obligations in relation to Total Adjustment Amounts (as defined below) and completion of the other actions more specifically enumerated in this Clause 6, inter alia, distribute the remaining New Ordinary Shares to the Relevant Shareholders in terms of this Scheme.
- 6.3 In this regard, following the effectiveness of the Scheme, the Company shall, issue New Ordinary Shares on behalf and for the benefit of each holder of the 'A' Ordinary Shares whose shares have been cancelled in accordance with Clause 5 and whose names appear in the register of members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date ("Relevant Shareholders"), without any further application, act or deed, save for: (a) any documents required from the holders of 'A' Ordinary Shares pursuant to this Scheme; and (b) the actions required from the Trust pursuant to this Scheme.
- 6.4 The consideration specified under this Clause 6, for every 10 cancelled and extinguished fully paid-up 'A' Ordinary Shares of face value of INR 2 (Indian Rupees Two only) each shall be:

"7 fully paid-up Ordinary Share(s) of face value of INR 2 (Indian Rupees Two only) each." ("Capital Reduction Consideration")

Immediately post issuance and allotment, the Company shall take necessary steps for obtaining the listing and trading approvals for the issued shares in accordance with this Scheme.
- 6.5 The Ordinary Shares issued by the Company as the consideration pursuant to this Scheme are referred to as the "New Ordinary Shares". The New Ordinary Shares shall be issued/ transferred to the Relevant Shareholders pursuant to Clause 6 in the manner set out below:
 - (a) Upon effectiveness of this Scheme, the Company shall issue and allot the New Ordinary Shares to the Trust, which shall hold the New Ordinary Shares on behalf and for the benefit of each Relevant Shareholder.
 - (b) The Company shall notify the Trust of:
 - (i) the details of the demat account, bank account and other details of each Relevant Shareholder, as available in the records of the Company;
 - (ii) the number of New Ordinary Shares issued in respect of each Relevant Shareholder; and
 - (iii) the amount to be withheld from the consideration attributable to each Relevant Shareholder under Applicable Law (including Tax Laws) ("Adjustment Amount").

- (c) the Trust shall, upon allotment of the New Ordinary Shares, sell such number of New Ordinary Shares on the Stock Exchanges, as may be required to: (i) realise the aggregate Adjustment Amount notified by the Company pursuant to Clause 6.5(b); and (ii) discharge costs attributable to capital gains tax, securities transaction tax, transaction cost(s), brokerage charges, and any other expenses akin to the foregoing payable solely with respect to the sale of New Ordinary Shares pursuant to this Clause (collectively with sub-clause (i) of this Clause 6.5(c), the "Total Adjustment Amount"). For the avoidance of doubt, costs attributable to the fees payable to advisors (including legal, tax, merchant banker and accounting), the fees payable to the trustee of the Trust and any other expenses akin to the foregoing costs, pursuant to this Clause 6 shall be borne by the Company, inter alia, through the Trust's corpus and/ or through the Trust invoicing the Company. The Trust shall determine the number of New Ordinary Shares to be sold, the timing of the sale and the Stock Exchange on which such sale should be undertaken based on the advice of a merchant banker appointed by the Trust in this regard, provided however that such sale shall be concluded before the end of the calendar month as in which the Record Date falls, unless otherwise decided by the Board in accordance with the Applicable Law;
- (d) promptly following completion of such sale, the Trust shall:
- (i) immediately thereafter, remit the aggregate Adjustment Amount to the Company;
 - (ii) within 7 (seven) days from the date of such sale, transfer the New Ordinary Shares to the demat account of each Relevant Shareholder based on the Capital Reduction Consideration, less any New Ordinary Shares sold by the Trust to realise the Total Adjustment Amount in respect of such Relevant Shareholder;
 - (iii) within 7 (seven) days from the date of such sale, remit excess cash (if any) realized by the Trust in respect of the New Ordinary Shares sold by it. Such amounts shall be distributed pro rata to the New Ordinary Shares sold in respect of the Relevant Shareholders; and
 - (iv) undertake such additional action as may be required under Applicable Law, including any filings in relation to the Foreign Exchange Management (Mode of Payment and Reporting of Non-debt Instruments) Regulations, 2019.
- (e) the Company shall deposit the aggregate Adjustment Amount with the relevant governmental authority in the manner prescribed under Applicable Law (including Tax Laws) and shall provide each Relevant Shareholder such documents as are required to be provided by the Company under Applicable Law to evidence such payment.
- (f) The Company may, through its investor outreach/ communication made separately to the Relevant Shareholders, seek such information or documents from holders of 'A' Ordinary Shares as may be required to effect the transactions contemplated in this Clause 6, including to determine the Adjustment Amount and to enable credit of the New Ordinary Shares and the determined amount of cash to the demat account and bank account of the Relevant Shareholders. If such information or documents requested is not provided by such Relevant Shareholder to the Company's satisfaction, and within the timelines prescribed by the Company, the Company shall be entitled to deduct or withhold amounts from the consideration payable to such Relevant Shareholder under Clause 6 at the highest rate specified under Applicable Law, prior to issuing the New Ordinary Shares to such holders of the 'A' Ordinary Shares.
- (g) if the Company does not receive details of the demat accounts or bank accounts of any Relevant Shareholder, or if the details furnished by any Relevant Shareholder do not permit electronic credit of the New Ordinary Shares or the cash payments, then the New Ordinary Shares relating to such Relevant Shareholder shall be held by the Trust until the New Ordinary Shares and cash amounts are transferred to the escrow accounts as contemplated under Clause 6.5(h) below and will only be credited to the respective depository participant account/ bank account of the Relevant Shareholder when the details of such Relevant Shareholder's accounts with the depository participant and/ or bank are intimated in writing to the Company.
- (h) if any New Ordinary Shares, including cash payments pursuant to Clause 6 have not been claimed by or paid to a Relevant Shareholder as on March 15 of the relevant financial year on which the Record Date falls, such amounts and New Ordinary Shares shall be transferred by the Trust to non-interest bearing escrow account and a demat escrow account respectively, in each case opened and maintained by the Company in this regard, and will be remitted to such Relevant Shareholders when the details of such Relevant Shareholder's bank account/ demat account are intimated in writing to the Company. Any unclaimed New Ordinary Shares, along with the dividend accrued on such unclaimed New Ordinary Shares (if any) shall be treated as 'unclaimed shares' and 'unclaimed dividend' for the purposes of the Act, including for the purposes of Section 124 and Section 125 of the Act, and shall be treated in the manner prescribed under the Act for 'unclaimed shares' and 'unclaimed dividend'.
- (i) the Trust shall complete all actions required by it within the periods set out in Clause 6, which period may be extended by the Board if it so deems fit, provided that no extension by the Board shall result in the time period extending beyond 90 (ninety) days from the date of allotment of such New Ordinary Shares by the Company.
 - (j) the Trust shall stand dissolved upon completion of its obligations under Clause 6, and the Trust and/ or the Board shall be entitled to undertake any and all actions as may be required to give effect to such dissolution in accordance with the terms of the trust deed. Any amounts pending with the Trust subsequent to fulfillment of its purpose and completion of its obligations under Clause 6 shall be dealt with in the manner set out in the trust deed.
- 6.6 The New Ordinary Shares shall be subject to the Scheme, the MoA and AoA of the Company and Applicable Laws, and shall rank *pari passu* with the Ordinary Shares of the Company, including with respect to dividend.
- 6.7 No New Ordinary Shares shall be allotted in respect of fractional entitlements by the Company to which the Relevant Shareholders may be entitled on allotment as per Clause 6. If any Relevant Shareholder is entitled to fractional entitlements on account of the Capital Reduction Consideration applicable to him/ her/ it, subject to receipt of appropriate approvals, if any, the Company shall consolidate such fractional entitlements and thereupon allot the New Ordinary Shares in lieu thereof to the Trust who shall hold the New Ordinary Shares in trust on behalf and for the benefit of each of the Relevant Shareholders entitled to fractional entitlements with the express understanding that the Trust shall sell the New Ordinary Shares so allotted on the Stock Exchanges at such time or times and at such price or prices and to such Person, as the Trust deems fit (which sale shall be undertaken before the end of the month as in which the Record Date falls unless otherwise decided by the Board in accordance with the Applicable Law, provided that no extension by the Board shall result in the time period extending beyond 90 (ninety) days from the date of allotment of such New Ordinary Shares by the Company), and shall distribute the net sale proceeds in cash, subject to tax deductions and other expenses as applicable in line with Clause 6.5(c), to the Relevant Shareholders in proportion to their respective fractional entitlements (along with such documents as applicable to the Relevant Shareholder as are required

to be provided under Applicable Law to evidence such payment). In case the aggregate number of such New Ordinary Shares to be allotted to the Trust (as contemplated above) as part of the applicable Capital Reduction Consideration, by virtue of consolidation of fractional entitlements, is a fraction, it shall be rounded off to the next higher integer.

- 6.8 All the Relevant Shareholders who hold the 'A' Ordinary Shares in physical form shall also receive the New Ordinary Shares to be transferred from the Trust in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Company and/or its registrar within the timeline prescribed by the Company in its communications to the Relevant Shareholders and the details of the same shall be intimated to the Trust.
- 6.9 The amount payable in cash pursuant to Clause 6 shall be discharged by issue of cheque, draft, pay order/ warrant or demand draft, electronic transfer of funds, NEFT/ RTGS/ IMPS, as may be decided by the Trust, based on the bank details of such holder of 'A' Ordinary Shares as available with the Company or its registrar within the timeline prescribed by the Company in its communications to the Relevant Shareholders, the details of which shall be intimated to the Trust.
- 6.10 In the event of there being any pending share transfers, whether lodged or outstanding, of any Relevant Shareholders, the Board shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of 'A' Ordinary Shares, after the effectiveness of this Scheme. The Board shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders as holders of 'A' Ordinary Shares, as required, on account of difficulties faced in the transaction period.
- 6.11 To the extent cash is payable to the Relevant Shareholders who are non-residents, the Company and the Trust shall comply with the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder and may seek any information from such Relevant Shareholders as on the Record Date to comply with the said provisions. If the payment of cash to any Relevant Shareholders pursuant to the Scheme is subject to approval of a governmental authority, and such approval has not been obtained after satisfaction of all the conditions to this Scheme, the Trust may complete the payment of such cash only after the relevant approval is obtained.
- 6.12 The New Ordinary Shares to be issued to the Trust and any cash payments held in trust on behalf and for the benefit of the Relevant Shareholders pursuant to Clause 6 in respect of any 'A' Ordinary Shares which are held in abeyance under Applicable Laws (including the provisions of Section 126 of the Act) or which the Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise ("Relevant Shares/ Cash") shall, pending allotment or settlement of dispute by order of NCLT or otherwise, be held in abeyance by the Company, provided however if any such Relevant Shares/ Cash continue to be held in abeyance by the Company as on March 15 of the relevant financial year on which the Record Date falls, such Relevant Shares/ Cash shall be transferred by the Trust to a demat escrow account and non-interest bearing escrow account respectively, in each case opened and maintained by the Company, and will be remitted to such Relevant Shareholders upon receipt of the necessary approvals or upon allotment or settlement of the relevant dispute by order of the NCLT or otherwise, as the case may be, in each case, in accordance with Applicable Law. Any unclaimed Relevant Shares/ Cash, along with the dividend accrued on such unclaimed Relevant Shares/ Cash (if any) shall be treated as 'unclaimed shares' and 'unclaimed dividend' for the purposes of the Act, including for the purposes of Section 124 and Section 125 of the Act, and shall be treated in the manner prescribed under the Act for 'unclaimed shares' and 'unclaimed dividend'.

6.13 The New Ordinary Shares issued and distributed pursuant to this Scheme shall not be registered under the United States Securities Act of 1933 as amended ("Securities Act"), in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) of the Securities Act ("3(a)(10) Exemption") and shall not constitute a "public offer" or a "public issue" as such term may be defined under the SEBI Regulations. The order of the NCLT sanctioning this Scheme will be relied upon by the Company for the purpose of qualifying the issuance and distribution of New Ordinary Shares pursuant to and as a result of this Scheme and the Section 3(a)(10) Exemption. Approval of this Scheme by the shareholders of the Company shall be deemed to be due compliance of the provisions of Section 42, Section 62 and other relevant and applicable provisions of the Act and rules made thereunder. Nothing contained under this Scheme shall be deemed to constitute an invitation/ offer to acquire and/ or an invitation/ offer to sell securities by the Company or the Trust.

6.14 The New Ordinary Shares will be listed and/ or admitted to trading on the Stock Exchanges, and the Company will initiate the necessary steps in this regard immediately upon issuance of the New Ordinary Shares. The Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Laws or regulations with the formalities of the said Stock Exchange. The New Ordinary Shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange.

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

The Company shall abide by the Accounting Standards, for giving effect to the Scheme. Upon the Scheme becoming effective, the Company shall:

- account for the reduction of the 'A' Ordinary Share capital in its books of accounts in accordance with the requirement of the Accounting Standards by debiting the 'A' Ordinary Share capital account by the face value of the 'A' Ordinary Shares, debiting the securities premium account for the difference between face value and fair value of the "A" Ordinary shares and crediting share adjustment account;
- account for the issuance and allotment of the New Ordinary Shares in its books of accounts in accordance with the requirement of the Accounting Standards by crediting the Ordinary Share capital account by the face value of the New Ordinary Shares, crediting the securities premium account for the difference between face value and fair value of the New Ordinary shares and debiting share adjustment account; and
- account for the expenses incurred on the reduction of the 'A' ordinary share capital in the retained earnings and the expenses on the listing of the New Ordinary Shares on Stock Exchanges in the statement of profit and loss, in accordance with the requirement of the Accounting Standards.

8. AMENDMENTS TO THE MOA OF THE COMPANY

8.1 Amendments to authorised share capital

- As an integral part of the Scheme, and, upon coming into effect of the Scheme, the authorised share capital of the Company in relation to its 'A' Ordinary Shares as specified in Clause 4, i.e., INR 2,00,00,00,000 (Indian Rupees Two Hundred Crore only) divided into 1,00,00,00,000 (One Hundred Crore) 'A' Ordinary Shares of INR 2 (Indian Rupees Two only) each shall stand reclassified and consolidated along with the existing Ordinary Shares share capital, such that post effectiveness of the Scheme the authorized share capital of the Company is INR 10,00,00,00,000 (Indian Rupees One Thousand Crore only) divided into 5,00,00,00,000 (Five Hundred Crore) Ordinary Shares of INR 2 (Indian Rupees Two only) each;

(b) Further, as an integral part of the Scheme, and upon coming into effect of the Scheme all provisions and references which relate to 'A' Ordinary Shares under the MoA, shall stand deleted/ modified/ substituted to Ordinary Shares (as may be applicable), without any further act, instrument or deed on the part of the Company;

(c) In order to give effect to the reclassification of share capital of the Company as specified in Clause 8.1(a), Clause V of the MoA shall be altered as set out below, upon coming into effect of the Scheme and without any further act or deed:

"V. The authorized share capital of the Company is INR 10,00,00,00,000 (Indian Rupees One Thousand Crore only) Ordinary Shares divided into 5,00,00,00,000 (Five Hundred Crore) Ordinary Shares of INR 2 (Indian Rupees Two only) each and 30,00,00,000 (Thirty Crore) Convertible Cumulative Preference Shares of INR 100/- (Indian Rupees One Hundred only) each."

(d) In the event the authorised capital of the Company undergoes any change prior to the date on which this Scheme comes into effect, the clauses specified in this Scheme to replace the existing Clause V of the MoA shall be modified accordingly to take into account the effect of any such change;

(e) Pursuant to the Scheme, the Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital; and

(f) The amendments pursuant to this Clause 8.1 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for reclassification of the share capital of the Company, and amendment of the MoA and shall not be required to pass separate Resolutions under the applicable provisions of the Act.

8.2 It is hereby clarified that for the purposes of Clause 8.1:

(a) the consent of the shareholders of the Company to the Scheme shall be deemed sufficient for the purposes of effecting the above amendment to the MoA and/ or reclassification of share capital of the Company, and no further Resolution under Section 13, Section 61, Section 62 and Section 64 of the Act or any other applicable provisions of the Act, would be required to be separately passed;

(b) pursuant to the effectiveness of the Scheme, the Company shall file the requisite forms with the Registrar of Companies for alteration of its MoA; and

(c) the filing fees and stamp duty, if any already paid by the Company in relation to its authorised share capital pertaining to the 'A' Ordinary Shares shall be set off and be deemed to have been so paid by the Company on the reclassified authorised share capital of the Company pertaining to the Ordinary Shares. The Company shall not be required to pay any filing fees or stamp duty to the extent set off and accordingly, shall be required to pay only the balance amount on the stamp duty, if any, in relation to the increased authorised share capital after setting off the stamp duty already paid by the Company on the authorised share capital pertaining to the 'A' Ordinary Shares.

8.3 Issue and allotment of securities

(a) Where any securities are to be allotted to the heirs, executors, administrators, legal representatives or other successors in title, as the case may be, of any security holders, the concerned heirs, executors, administrators, legal representatives or other successors in title shall be obliged to produce evidence of title, satisfactory to the Board of the Company as a condition to such

allotment.

(b) In the event of there being any pending share transfer, whether lodged or outstanding, of any member of the Company, the Board shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transferor or the transferee of equity shares (either 'A' Ordinary Shares or Ordinary Shares) in the Company after the Scheme becomes effective. The Board shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new shareholders in the Company, on account of difficulties faced in the transaction period.

9. AMENDMENTS TO THE AOA

9.1 As an integral part of the Scheme, and, upon the Scheme becoming effective, the following provisions of the AoA shall stand deleted without any further act, instrument or deed on the part of the Company:

(a) "7A Issue of 'A' Ordinary Shares

(i) The Board may issue Ordinary Shares with differential rights as to voting and/ or dividend (hereinafter referred to as 'A' Ordinary Shares) upto an amount not exceeding 25% of the total issued Ordinary Share Capital of the Company or such other limit as may be prescribed by applicable laws/ regulations. Such issue of 'A' Ordinary Shares shall be in accordance with the Act, other applicable laws, Article 67A and other terms and conditions that may be specified at the time of issue.

(ii) The 'A' Ordinary Shares so issued by the Company will stand to be in the same class as the Ordinary Shares. The 'A' Ordinary Shares issued by the Company will enjoy all rights and privileges that are attached to Ordinary Shares in law and by the provisions of these presents, except as to voting and/ or dividend, as provided in these Articles and as may be permitted under applicable law from time to time.

(iii) The Board may issue 'A' Ordinary Shares of more than one series carrying differential rights as to voting and/ or dividend, as the case may be.

(iv) The Board shall have the power and authority to remove any difficulties, and do such other acts and deeds, in relation to the applicability of this Article to the rights and obligations of the holders of the 'A' Ordinary Shares, including, but not limited to the issue and deciding the stock exchanges on which the 'A' Ordinary Shares will be listed.

(v) The Board shall follow the general principles set out under Article 7A (ii) at all times whilst making any decision in regard to 'A' Ordinary Shares."

(b) "67A Provisions in case of 'A' Ordinary Shares

Notwithstanding anything contained in these presents, the rights, powers and preferences relating to 'A' Ordinary Shares and the qualifications, limitations and restrictions thereof are as follows:

(a) Voting

(i) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/ or dividend and such other rights as per the terms of the issue of such shares, provided always that:

- in the case where a Resolution is put to vote on a poll, such voting entitlement (excluding fractions, if any) will be applicable to holders of

'A' Ordinary Shares.

- *in the case where a Resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares in accordance with Article 111(1).*
- (ii) *The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted to a vote of shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such Shares including in relation to any scheme under Sections 391 to 394 of the Act.*
- (b) **Dividend Entitlement**
The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.
- (c) (i) *Where the Company proposes to make a rights issue of Ordinary Shares or any other securities convertible into Ordinary Shares, the Company shall simultaneously make an offer to the holders of 'A' Ordinary Shares in the same proportion of 'A' Ordinary Shares to Ordinary Shares prior to the issue. The holders of 'A' Ordinary Shares shall receive further 'A' Ordinary Shares whereas holders of Ordinary Shares shall receive further Ordinary Shares.*
- (ii) *Where the Company proposes to make a bonus issue of Ordinary Shares, the holders of 'A' Ordinary Shares shall, subject to the terms of such issue, receive further 'A' Ordinary Shares whereas the holders of Ordinary Shares shall receive further Ordinary Shares to the end and intent that the proportion of Ordinary Shares to 'A' Ordinary Shares after such offer, shall, as far as possible remain unaffected.*
- (d) **Conversion**
The 'A' Ordinary Shares issued in accordance with these presents will not be convertible into Ordinary Shares at any time.
- (e) **Mergers, Amalgamations, etc.**
In the event of any scheme, arrangement or amalgamation in accordance with the Act, and subject to other approvals and other applicable laws and these presents for amalgamation of the Company with or into any other entity and which results in a share swap or exchange, the holders of the 'A' Ordinary Shares shall receive allotment as per the terms of the scheme and as far as possible, unless specified to the Company in such scheme, the said holders shall receive Ordinary Shares with differential rights to voting or dividend of such entity.
- (f) **Substantial acquisition of shares**
 - (i) *Where an offer is made to purchase the outstanding Ordinary Shares or voting rights or equity capital or share capital or voting capital of the Company in accordance with the SEBI (Substantial Acquisition of*

Shares and Takeovers) Regulations, 1997 and other applicable laws, the applicability of such regulation on 'A' Ordinary Shares will result in an offer also being made to purchase 'A' Ordinary Shares in the same proportion as the offer to purchase Ordinary Shares.

Illustration: In accordance with the said Regulations where an offer is made to purchase twenty (20) percent of the outstanding Ordinary Shares or voting rights or equity capital or share capital or voting capital of the Company, such offer shall be deemed to include an offer for twenty (20) percent of the outstanding Ordinary Shares and also an offer for twenty (20) percent of the outstanding 'A' Ordinary Shares.

- (ii) *The pricing guidelines and other provisions as specified in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 shall mutatis mutandis apply to an offer for 'A' Ordinary Shares and the percentage premium offered for the 'A' Ordinary Shares to its floor price shall be equal to the percentage premium offered for the Ordinary Shares to its floor price. All consideration to be received by holders of 'A' Ordinary Shares in accordance with any offer as stated in sub-clause (i) above shall be paid in the same form and at the same time as that received by holders of Ordinary Shares.*

Explanation: For the purposes of the said Regulations, the terms "shares", "voting rights", "equity capital", "share capital" or "voting capital" shall mean and include Ordinary Shares and 'A' Ordinary Shares as the case may be.

(g) **Delisting**

Where the promoter (as provided in the last quarterly filing with the stock exchanges prior to making the offer) or any other acquirer proposes at any time to voluntarily delist the Ordinary Shares of the Company in accordance with the SEBI (Delisting of Securities) Guidelines, 2003 from the stock exchanges on which such Ordinary Shares are listed, such promoter or acquirer shall also make a delisting offer for the 'A' Ordinary Shares and the percentage premium offered for the 'A' Ordinary Shares to its floor price shall be equal to the percentage premium offered for the Ordinary Shares to its floor price.

(h) **Buyback of 'A' Ordinary Shares by the Company**

Subject to Article 66, Article 66A and Article 68, the Company when exercising its power under these presents to buyback the Ordinary Shares of the Company, will offer to buyback 'A' Ordinary Shares in the same proportion and on equitable pricing terms as offered to the holders of Ordinary Shares, in accordance with applicable laws including the SEBI (Buy-Back of Securities) Regulations, 1998.

(i) **Modification of rights pertaining to 'A' Ordinary Shares**

- (i) *Any alteration proposed by the Company to this Article 67A which affects the rights pertaining to the 'A' Ordinary Shares is required to be approved by not less than three-fourths of the holders of the outstanding 'A' Ordinary Shares present and voting.*
- (ii) *For the purposes of (i) above, the Company will call a separate meeting of holders of 'A' Ordinary Shares."*

9.2 As an integral part of the Scheme, and, upon Scheme becoming effective, Article 67B of the AoA shall stand replaced as set out below without any further act, instrument or deed on the part of the Company:

(a) “67B Issue of Convertible Cumulative Preference Shares

The Convertible Cumulative Preference Shares for the time being in the capital of the Company may be issued either with the sanction of the Company in General Meeting or by the Board.

The rights, privileges and conditions attached to the Convertible Cumulative Preference Shares of Rs.100/- each shall be as follows:-

- (a) The Convertible Cumulative Preference Shares shall confer on the holders thereof, the right to a fixed preferential dividend at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up and/ or credited as and from time to time paid up thereon.
- (b) The Convertible Cumulative Preference Shares shall rank for capital and dividend (including all dividends undeclared upto the commencement of winding up) and for repayment of capital in a winding up, *pari passu inter se* and in priority to the Ordinary Shares of the Company but shall not confer any further or other right to participate either in profits or assets and that preferential rights shall automatically cease on conversion of these shares into Ordinary Shares.
- (c) The Convertible Cumulative Preference Shares shall be converted into Ordinary Shares as per the terms determined by the Board at the time of issue; as and when converted, such Ordinary Shares shall rank *pari passu* with the then existing Ordinary Shares of the Company in all respects as the case may be.
- (d) The holders of the Convertible Cumulative Preference Shares shall have the right to receive all notices of general meetings of the Company, but will not have the right to vote at any meetings of the Company, except to the extent and in the manner provided in the Act.
- (e) The Convertible Cumulative Preference Shares shall not confer any right on the holders thereof, to participate in any offer or invitation by way of rights or otherwise to subscribe for additional Ordinary Shares in the Company, nor shall the Convertible Cumulative Preference Shares confer on the holders thereof any right to participate in any issue of bonus shares or shares issued by way of capitalization of reserves (except that the conversion price would be appropriately adjusted in the event of bonus/rights issues).
- (f) The Board shall be authorised to fix the terms and conditions of the Convertible Cumulative Preference Shares including but not limited to the terms pertaining to dividend, conversion and/ or redemption, if any. The rights and terms attached to the Convertible Cumulative Preference Shares may be modified or dealt with by the Board in accordance with the provisions of the Articles of Association of the Company.”

9.3 It is hereby clarified that for the purposes of this Clause 9:

- (a) the consent of the shareholders of the Company to the Scheme shall be deemed sufficient for the purposes of effecting the above amendment and no further Resolution under Section 14 of the Act or any other applicable provisions of the Act, would be required to be separately passed; and
- (b) pursuant to the effectiveness of the Scheme, the Company shall file the requisite forms with the Registrar of Companies for alteration of its AoA.

11. CREDITORS

The reduction of the Company's share capital as set out in Part C of this Scheme will not alter or modify the rights of the creditors and hence will not have any material impact on the creditors. The creditors of the Company shall in no way be affected by the proposed reduction of capital, as there is no reduction in the amount payable to any of the creditors, there is no cash outflow from the Company and no compromise or arrangement is contemplated with the creditors. Thus, the proposed reduction of the Company's share capital will not, in any way, adversely affect the operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

15. CHANGE IN CAPITAL STRUCTURE OF THE COMPANY

15.1 Without prejudice to the generality of the Scheme, during the period between the date of approval of the Scheme by the Board and up to and including the date of issuance of the consideration payable under Clause 6 pursuant to the Scheme, the Company shall not make any change in its capital structure, whether by way of increase (including by issue of equity shares (either 'A' Ordinary Shares or Ordinary Shares) on a rights basis, issue of bonus shares or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation of share capital, or in any other manner which may, in any way, affect the payment of the consideration as per Clause 6, except under any of the following circumstances:

- (a) by way of a Resolution passed by the Board; or
- (b) on account of issuance of any Ordinary Shares pursuant to the exercise of the employee stock options and/ or the performance share units pursuant to the Employee Stock Option Scheme; or
- (c) as may be expressly permitted under this Scheme.

15.2 In the event of any such change in share capital of the Company before the payment of the consideration to the holders of the 'A' Ordinary Shares pursuant to Clause 6, the Capital Reduction Consideration shall be appropriately adjusted, if required, to take into account the effect of such issuance or corporate actions.

17. CONDITIONS PRECEDENT

17.1 The effectiveness of the Scheme is conditional upon and subject to:

- (a) receipt of the observation letter or the no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 11, Regulation 37, Regulation 59A, Regulation 94 and Regulation 94A of the SEBI LODR Regulations read with the SEBI Scheme Circular and SEBI Scheme Circular - Debt, and the terms of such observation letters being acceptable to the Board;
- (b) the Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Company, as required under the Act and SEBI Scheme Circular and SEBI Scheme Circular - Debt, subject to any dispensation that may be granted by the NCLT;
- (c) the Scheme being approved by the public shareholders of the Company through e-Voting as required under the SEBI Scheme Circular. The Scheme shall be acted upon only if votes cast by the public shareholders of the Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Company against it;
- (d) the Scheme being approved by the holders of NCDs through e-Voting as required under the SEBI Scheme Circular - Debt (where applicable);
- (e) the Company having received such approvals and sanctions, including consent of any government authority as may be required by Applicable Law in respect of the Scheme and on terms and conditions acceptable to the Board;

(f) the Scheme being sanctioned by the NCLT in terms of Section 230 – Section 232 and other relevant provisions of the Act on terms acceptable to the Company; and

(g) the certified copy of the NCLT order approving the Scheme being filed with the Registrar of Companies by the Company.

17.2 Any of the conditions precedent set out in Clause 17.1 above may, subject to Applicable Law, be waived wholly or partly by the Board, at their sole discretion and without any further approvals from any Person or without any amendment to the Scheme.

17.3 It is hereby clarified that submission of the Scheme to the NCLT and to the governmental authorities for their respective approval is without prejudice to all rights, interests, titles or defences that the Company may have under or pursuant to all Applicable Laws.

17.4 On the approval of the Scheme by the shareholders of the Company such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or SEBI LODR Regulations or otherwise to the same extent applicable in relation to the proposal set out in this Scheme, related matters including those set out herein and the Scheme itself.”

8. Board Approvals:

The Board of Directors at their meeting held on July 25, 2023 took into account, *inter alia*, the Valuation Report, the Fairness Opinions, the Auditors’ Certificate on conformity of accounting treatment, the Pricing Certificate and the independent recommendations of the Audit Committee and Committee of Independent Directors, and on the basis of their independent judgment, approved the Scheme. They also adopted a report dated July 25, 2023 as per Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter), creditors, Key Managerial Personnel and employees of the Company and laying out in particular the cash consideration, setting out the salient features and commercial rationale behind the Scheme.

Enclosed herewith to the Notice is the Report of the Audit Committee dated July 24, 2023 recommending the draft Scheme taking into consideration, *inter alia*, the Valuation Report and the Fairness Opinions. Also, enclosed is the report of the Committee of Independent Directors dated July 24, 2023 recommending the draft Scheme taking into consideration, *inter alia*, that the Scheme is not detrimental to the shareholders of the Company. The Reports of the Board of Directors, Audit Committee and Committee of Independent Directors of the Company are annexed to this Notice as **Annexure 6, Annexure 7 and Annexure 8A** respectively. .

The Board approved the Scheme at their meeting held on July 25, 2023. Details of the directors who voted on the Resolution are as follows:

Sr. No.	Names of Director(s)	Voting Pattern
1.	Mr. N Chandrasekaran	Favor
2.	Mr. Om Prakash Bhatt	Favor
3.	Ms. Hanne Birgitte Breinbjerg Sorensen	Favor
4.	Ms. Vedika Bhandarkar	Favor
5.	Mr. Veerayya Chowdary Kosaraju	Favor
6.	Mr. Al Noor Ramji	Favor
7.	Ms. Usha Sangwan	Favor
8.	Mr. Girish Arun Wagh	Favor
9.	Mr. Mitsuhiro Yamashita*	Favor

* Mr Mitsuhiro Yamashita ceased to be a Non-Executive, Non-Independent Director of the Company w.e.f. from October 27, 2023.

9. Details of tax liabilities arising out of the reduction of capital to the Company and to the ‘A’ Ordinary Shareholders*

*Capitalised terms used in this Paragraph 9 of the Statement but not defined shall have the meaning ascribed to such term under the Scheme.

Paragraph 9.2 below illustratively sets out the details of the tax liabilities arising out of the reduction of capital to the Company and to the ‘A’ Ordinary Shareholders. The Scheme, in Clause 5 details the mechanism by which the tax liabilities arising out of the reduction of capital of the ‘A’ Ordinary Shares is intended to be paid, without the ‘A’ Ordinary Shareholders paying cash, and the same is summarized below.

The consideration for reduction of the ‘A’ Ordinary Shares pursuant to Clause 5 of the Scheme, is payable by way of issuance of shares, i.e., consideration other than cash. Upon effectiveness of the Scheme and in accordance with the terms hereof, including Clause 5 of the Scheme, the Company shall issue New Ordinary Shares to the holders of the ‘A’ Ordinary Shares as consideration for the reduction and cancellation of the ‘A’ Ordinary Shares.

For the purposes of, *inter alia*, transfer of New Ordinary Shares to the Relevant Shareholders as Capital Reduction Consideration by the Company, the Company shall, prior to the Effective Date have settled the Trust. The Trust will receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders as contemplated hereinafter, and the Trust will thereafter, post-sale of the requisite number of New Ordinary Shares to discharge obligations in relation to Total Adjustment Amounts and completion of other actions more specifically enumerated therein, *inter alia*, distribute the remaining New Ordinary Shares to the Relevant Shareholders in terms of the Scheme.

In this regard, following the effectiveness of the Scheme, the Company shall, issue New Ordinary Shares on behalf and for the benefit of each holder of the ‘A’ Ordinary Shares whose shares have been cancelled in accordance with Clause 5 of the Scheme and whose names appear in the Register of Members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date (Relevant Shareholders), without any further application, act or deed, save for: (a) any documents required from the holders of ‘A’ Ordinary Shares pursuant to the Scheme; and (b) the actions required from the Trust pursuant to the Scheme.

The consideration for every 10 (ten) cancelled and extinguished fully paid-up ‘A’ Ordinary Shares of face value of INR 2 (Indian Rupees Two only) each shall be:

“7 fully paid-up Ordinary Share(s) of face value of INR 2 (Indian Rupees Two only) each.” (“Capital Reduction Consideration”)

Immediately post issuance and allotment, the Company shall take necessary steps for obtaining the listing and trading approvals for the New Ordinary Shares in accordance with the Scheme.

The Ordinary Shares issued by the Company as the consideration pursuant to the Scheme are referred to as the “**New Ordinary Shares**”. The New Ordinary Shares shall be issued/ transferred to the Relevant Shareholders pursuant to Clause 6 of the Scheme in the manner set out below:

- Upon effectiveness of the Scheme, the Company shall issue and allot the New Ordinary Shares to the Trust, which shall hold the New Ordinary Shares on behalf of and for the benefit of each Relevant Shareholder.
- The Company shall notify the Trust of:
 - the details of the demat account, bank account and other details of each Relevant Shareholder, as available in the records of the Company;
 - the number of New Ordinary Shares issued in respect of each Relevant Shareholder; and

- (iii) the amount to be withheld from the consideration attributable to each Relevant Shareholder under Applicable Law (including Tax Laws) ("**Adjustment Amount**").
- (c) The Trust shall, upon allotment of the New Ordinary Shares, sell such number of New Ordinary Shares on the Stock Exchanges, as may be required to:
 - (i) realise the aggregate Adjustment Amount notified by the Company pursuant to Clause 6.5(b) of the Scheme, i.e., Paragraph 9(b) above; and
 - (ii) discharge costs attributable to Withholding tax on deemed dividend, capital gains tax, securities transaction tax, transaction cost(s), brokerage charges, and any other expenses akin to the foregoing payable solely with respect to the sale of New Ordinary Shares pursuant to sub-clause (ii) of Clause 6.5(c) of the Scheme, i.e., this Paragraph 9(c)(ii) (collectively with sub-clause (i) of Clause 6.5(c) of the Scheme, i.e., paragraph 9(c)(i) above, the "**Total Adjustment Amount**"). For the avoidance of doubt, costs attributable to the fees payable to advisors (including legal, tax, merchant banker and accounting), the fees payable to the trustee of the Trust and any other expenses akin to the foregoing costs, pursuant to Clause 6 of the Scheme shall be borne by the Company, *inter alia*, through the Trust's corpus and/ or through the Trust invoicing the Company. The Trust shall determine the number of New Ordinary Shares to be sold, the timing of the sale and the Stock Exchange on which such sale should be undertaken based on the advice of a merchant banker appointed by the Trust in this regard, provided however that such sale shall be concluded before the end of the calendar month as in which the Record Date falls, unless otherwise decided by the Board in accordance with the Applicable Law.

9.1. Rationale for setting up the Trust for transfer of consideration to the Relevant Shareholders

The Trust has been set up to serve a dual purpose:

- (a) to deal with fractional entitlements in accordance with the mechanism prescribed under the SEBI Scheme Circulars; and
- (b) to receive the New Ordinary Shares on behalf of the Relevant Shareholders to enable the Company to effectively comply with its obligations under law to withhold taxes from the consideration being paid for the cancellation of 'A' Ordinary Shares, as detailed below.

The Scheme provides for the reduction by way of cancellation of 'A' Ordinary Shares held by the Relevant Shareholders and the consequent issuance of New Ordinary Shares as consideration in lieu of such cancellation. The consideration payable is set out in Clause 6.4 of the Scheme, i.e., 7 (seven) New Ordinary Shares for every 10 (ten) 'A' Ordinary Shares cancelled ("**Capital Reduction Consideration**"). Given the ratio, the Capital Reduction Consideration will result in several Relevant Shareholders being entitled to fractional entitlements. The fractional entitlements arising under the Scheme will be treated in accordance with the mechanism prescribed under paragraph D of Part I of the SEBI Scheme Circular, i.e., they will be allotted to a Trust on behalf of the shareholders. To clarify, the fractional entitlements will be consolidated and allotted to the Trust, the Trust will subsequently sell such New Ordinary Shares so consolidated and allotted to it on the Stock Exchanges, and thereafter distribute the net sale proceeds subject to tax deductions and other expenses pro rata amongst the Relevant Shareholders, in compliance with applicable law.

Independent of the above, the Company is obliged to withhold taxes as applicable and pay such taxes to government authorities under Section 2(22)(d) and Section 112 of the Income-tax Act, 1961 on the Capital Reduction Consideration. In this regard, since the Relevant Shareholders are receiving non-cash consideration under the Scheme, it would become impracticable for the Company to

deduct and withhold cash amount as tax from the Capital Reduction Consideration, as required under applicable law, in a scenario where the New Ordinary Shares are issued directly to Relevant Shareholders.

The mechanism in Clause 6.5 of the Scheme has been specified solely to ensure compliance with applicable laws (including tax laws), is for the benefit of the Company and the Relevant Shareholders and facilitates the compliance towards withholding tax and other, obligations deduction and remittance of tax amounts to governmental authorities in accordance with applicable laws. Further, the mechanism in Clause 6.5 of the Scheme is based, as far as practicable, on the Trust framework prescribed by SEBI with respect to fractional entitlements pursuant to paragraph D of Part I of the SEBI Scheme Circular, and the same Trust set up for the fractional entitlements is proposed to be used for the actions contemplated in Clause 6.5 as well.

Accordingly, with a view to providing for such withholding and payment of taxes on the Capital Reduction Consideration as required under applicable law, the Scheme provides *inter alia* that:

- (a) upon effectiveness of the Scheme, the Company shall issue and allot the New Ordinary Shares (i.e., the Capital Reduction Consideration (as defined above) to the Trust;
- (b) the New Ordinary Shares issued to the Trust shall be held by the Trust solely on behalf of and for the benefit of each Relevant Shareholder;
- (c) the Trust shall, upon allotment of the New Ordinary Shares, sell such number of New Ordinary Shares on the Stock Exchanges, as may be required to realise the applicable tax amounts payable under applicable law and related costs notified by the Company pursuant to the Scheme; and
- (d) promptly following completion of such sale, the Trust shall transfer the New Ordinary Shares to the demat account of each shareholder and remit excess cash (if any) realized by the Trust in respect of the New Ordinary Shares sold by it pro rata to the New Ordinary Shares sold in respect of the Relevant Shareholders.

Further, in order to ensure that the timing and pricing of the sale of the New Ordinary Shares is determined independently and to ensure compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Scheme provides that the Trust shall determine the number of New Ordinary Shares to be sold, the timing of the sale and the Stock Exchange on which such sale should be undertaken based on the advice of a merchant banker appointed by the Trust in this regard, within the timelines prescribed under the Scheme.

9.2. Detailed process involved in calculation of actual number of shares to be allotted to Relevant Shareholders by the Trust after meeting the tax liabilities along with illustrations.

As a result of the capital reduction, "A" Ordinary Shareholders will receive 7 new Ordinary Shares of the Company for every 10 "A" Ordinary Shares held ("**Capital Reduction Consideration**").

As per Section 2(22)(d) of the Income-tax Act, 1961 ("**the IT Act**") dividend includes any distribution to its shareholders by a company on the reduction of its capital, to the extent to which the company possesses accumulated profits, whether such accumulated profits have been capitalised or not. 'Date of distribution' for the purpose of Section 2(22)(d) of the IT Act shall be the date of allotment of New Ordinary Shares.

Accordingly, to the extent of accumulated profits of the Company on the effective date, it will be treated as deemed dividend under Section 2(22)(d) of the IT Act in the hands of "A" Ordinary Shareholders and will attract TDS / Withholding Tax ("**WHT**") obligations on the Company. Further, surplus of consideration over Deemed Dividend and cost of

acquisition to the shareholders will be treated as capital gains. In the case of non-resident shareholders, such capital gains will be subject to WHT.

The Company, in order to discharge its TDS / WHT obligations and comply with the fractional entitlement regulations of the Securities Exchange Board of India, will set up an irrevocable determinate Trust for implementation of the above Scheme and on the effective date, credit all Ordinary Shares as per entitlement to this Trust on behalf of "A" Ordinary Shareholders.

The Trust will sell requisite number of Ordinary Shares including fractional shares (in consultation with merchant banker appointed

An illustrative calculation with respect to the number of shares that will be issued to 'A' Ordinary Shareholders post settlement of tax liabilities, is as under:

by the Trust) to realize funds for meeting the TDS/WHT liability and remit the net amount (net of STT, STCG on sale of shares etc.) to the Company.

The Company will accordingly on receipt of funds from the Trust, discharge its TDS/WHT obligations with the Tax Authorities.

The Trust will post remitting the net proceeds for discharge of TDS/ WHT liability, credit the remaining Ordinary Shares to the account of "A" Ordinary Shareholders.

Once all Ordinary Shares will be transferred from the Trust, the Trust shall stand dissolved upon completion of its obligations.

	PARTICULARS	FORMULA	Unit of measurement	Domestic Company	Resident Indian	Non Resident India	Mutual Fund
Details of Shareholdings and Accumulated Profits	No. of "A" Ordinary shares held by relevant shareholder	A	Nos.	1,000	1,000	1,000	1,000
	Capital Reduction Consideration (For every 10 "A" Ordinary Shares, 7 New Ordinary Shares)	B	Nos.	0.7	0.7	0.7	0.7
	No. of ordinary shares basis above Capital Reduction Consideration Ratio	C = A * B	Nos.	700	700	700	700
	Price per Ordinary share (Assumed as on Effective Date)	D	INR	800	800	800	800
	Price (assumed) at which Trust will sell new Ordinary Shares	E	INR	850	850	850	850
	Securities Transaction Tax ('STT') & Other expenses (as a % of consideration value) (assumed)	F	%	0.2%	0.2%	0.2%	0.0%
	Cost of Acquisition per A Ordinary Share for shareholders (assumed)	G	INR	100	100	100	NA
	Total Reserves (assumed)	H	INR in Crs.	6,000	6,000	6,000	6,000
	Total "A" Ordinary shares as on Effective date	I	Nos.	508,502,896	508,502,896	508,502,896	508,502,896
	% of holding of relevant shareholder	J = A / I	%	0.00020%	0.00020%	0.00020%	NA
Deemed dividend and TDS / WHT	Deemed Dividend in the hands of 'A' Ordinary Shareholders	K = H * J	INR	117,993.43	117,993.43	117,993.43	-
	Tax Deducted at Source ('TDS') / Withholding Tax ('WHT') rate on Deemed Dividend	L	%	10%	10%	20.80%	0.00%
	TDS / WHT amount on Deemed Dividend	M = K * L	INR	11,799	11,799	24,543	-
	Distribution to "A" Ordinary Shareholder	N = (C*D)	INR	560,000	560,000	560,000	-
	Cost of Acquisition	O = A*G	INR	100,000	100,000	100,000	-
	Deemed Dividend	P = K	INR	117,993	117,993	117,993	-
	Capital Gains after Deemed Dividend	Q = N-O-P	INR	342,007	342,007	342,007	-
	WHT on Capital gains (applicable to NRI)	R	%	-	-	11.96%	0.00%
	WHT Amount on Capital Gains	S = Q*R	INR	-	-	40,904	-
	Total WHT amount on Deemed Dividend and Capital Gains	T = M + S	INR	11,799	11,799	65,447	-
Distribution of cash to TML & balance ordinary shares to DVR shareholders	Short Term Capital Gains (STCG) Tax Rate	U	%	17.47%	17.94%	17.94%	0.00%
	Capital Gains per share	V = E - D	INR	50.00	50.00	50.00	0.00
	STCG Tax Per share	W = V * U	INR	8.74	8.97	8.97	0.00
	STT & Other expenses	X = E * F	INR	1.70	1.70	1.70	0.00
	Effective price per share after considering other transaction expenses as calculated above	Y=E-W-X	INR	839.56	839.33	839.33	850.00
	Total net cash required for meeting tax obligations	Z = T	INR	11,799	11,799	65,447	-
	Number of ordinary shares to be sold by Trust	AA = Z/Y	Nos.	14	14	78	-
	Ordinary shares re-distributed to "A" Ordinary Shareholders	AB = C-AA	Nos.	686	686	622	700
NCRC	Net Capital Reduction Consideration Ratio post TDS/WHT	AC = AB/A	Nos.	0.686	0.686	0.622	0.700

Note:

1. All the shareholders assumed to have provided PAN / Tax Residency Certificate/ Form 10F/ Cost of acquisition as applicable.
2. The Tax Rates considered are as prevailing as on date. The same may undergo a change as of the effective date.
3. All the shareholders assumed to hold shares as "Investment" and not as "stock in trade".
4. Non-resident WHT liability is subject to relevant tax treaty benefits, if any.
6. Entitlement of fraction shares has not been considered in the above illustration

Note: The above illustration has been prepared for informational purposes only and should not be treated as advice from the Company. Shareholders are requested to consult their own tax and accounting advisors for applicable laws and regulations pertaining to their specific situation.

- 9.3. Pictorial/diagrammatic presentation of proposed process of allotment of shares to Relevant Shareholders for better understanding of proposed Scheme by the shareholders

Terms capitalized hereunder shall have the meaning ascribed to them under the Scheme.

In terms of process, the following steps will be undertaken upon effectiveness of the Scheme with respect to issuance of the New Ordinary Shares to the Relevant Shareholders (via the Trust), as also diagrammatically reflected below:

- (a) upon effectiveness of the Scheme, the Company shall issue and allot the New Ordinary Shares to the Trust;
- (b) the New Ordinary Shares issued to the Trust shall be held by the Trust solely on behalf of and for the benefit of each Relevant Shareholder;
- (c) the Trust shall, upon allotment of the New Ordinary Shares, sell such number of New Ordinary Shares on the Stock Exchanges, as may be required to realise the applicable tax amounts payable under applicable law and related costs notified by the Company pursuant to the Scheme; and
- (d) promptly following completion of such sale, the Trust shall transfer the New Ordinary Shares to the demat account of each shareholder and remit excess cash (if any) realized by the Trust in respect of the New Ordinary Shares sold by it pro rata to the New Ordinary Shares sold in respect of the Relevant Shareholders.

Process under the Scheme

1. Upon effectiveness of the Scheme

The Company shall issue and allot the New Ordinary Shares to the Trust, which shall hold the New Ordinary Shares on behalf and for the benefit of each Relevant Shareholder.

2. Company to notify the Trust of:

- (i) the details of the demat account, bank account and other details of each Relevant Shareholder;
- (ii) the number of New Ordinary Shares issued in respect of each Relevant Shareholder; and
- (iii) the amount to be withheld from the consideration attributable to each Relevant Shareholder under Applicable Law (including Tax Laws) ("Adjustment Amount").

3. Upon allotment of New Ordinary Shares, the Trust shall:

- (i) realise the aggregate Adjustment Amount notified by the Company;
- (ii) discharge costs attributable to capital gains tax, securities transaction tax, transaction cost(s), brokerage charges, and any other expenses akin to the foregoing payable solely with respect to the sale of New Ordinary Shares pursuant to this Step 3 (collectively with Step 2, the "Total Adjustment Amount").
- (iii) For the avoidance of doubt, costs attributable to the fees payable to advisors (including legal, tax, merchant banker and accounting), the fees payable to the trustee of the Trust and any other expenses akin to the foregoing costs, pursuant to Clause 6 shall be borne by the Company, *inter alia*, through the Trust's corpus and/ or through the Trust invoicing the Company.
- (iv) The Trust shall determine the number of New Ordinary Shares to be sold, the timing of the sale and the Stock Exchange on which such sale should be undertaken based on the advice of a merchant banker appointed by the Trust.

4. Upon completion of sale of New Ordinary Shares, the Trust shall:

- (i) remit the aggregate Adjustment Amount to the Company;
- (ii) within 7 (seven) days from the date of such sale, transfer the New Ordinary Shares to the demat account of each Relevant Shareholder based on the Capital Reduction Consideration, less any New Ordinary Shares sold by the Trust to realise the Total Adjustment Amount in respect of such Relevant Shareholder;
- (iii) within 7 (seven) days from the date of such sale, remit excess cash (if any) realized by the Trust in respect of the New Ordinary Shares sold by it. Such amounts shall be distributed pro rata to the New Ordinary Shares sold in respect of the Relevant Shareholders; and

5. Deposit of aggregate Adjustment Amount

The Company shall deposit the aggregate Adjustment Amount with the relevant government authority.

6. Determining the Adjustment Amount and Credit of the New Ordinary Shares

Company may seek such information or documents from holders of 'A' Ordinary Shares as may be required determine the Adjustment Amount and to enable credit of the New Ordinary Shares to the demat of account of Relevant shareholders and the determined amount of cash to bank account of the Relevant Shareholders.

7. Determining the Adjustment Amount and Credit of the New Ordinary Shares

If any New Ordinary Shares, including cash payments pursuant to Clause 6 of the Scheme have not been claimed by or paid to a Relevant Shareholder as on March 15 of the relevant financial year on which the Record Date falls, such amounts and New Ordinary Shares shall be transferred by the Trust to non-interest bearing escrow account and a demat escrow account respectively. Any unclaimed New Ordinary Shares, along with the dividend accrued on such unclaimed New Ordinary Shares (if any) shall be treated in the manner prescribed under the Act for 'unclaimed shares' and 'unclaimed dividend'.

8. Dissolution of the Trust

The Trust and/ or the Board shall be entitled to undertake any and all actions as may be required to give effect to such dissolution in accordance with the terms of the trust deed.

Any amounts pending with the Trust subsequent to fulfillment of its purpose and completion of its obligations under Clause 6 of the Scheme shall be dealt with in the manner set out in the trust deed.

10. Interest of Directors, Key Managerial Personnels, their relatives and Debenture Trustee

None of the Directors, KMPs (as defined under the Act and rules framed thereunder) of the Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their directorship and shareholding, if any, in the Company. The debenture trustees (for the debentures issued by the Company) have no interest in the Scheme.

11. Effect of the Scheme on Directors, Promoters, KMPs, the Shareholders (Promoter & and Non-Promoter), Depositors, Creditors, Debenture holders, Debenture Trustees, employees of the Company

- Equity shareholders (Promoters shareholders and Non-Promoter Shareholders) - The effect of the Scheme on the shareholders (promoters and non-promoter shareholders) of the Company has been set out in Paragraph 9 of the report adopted by the Board pursuant to Section 232(2)(c) of the Act attached herewith as **Annexure 8A**.
- Directors and Key Managerial Personnels (KMPs) - The Scheme is not expected to have any effect on the Directors and KMPs of the Company or on their material interests in the Company except to the extent of the equity shares held (if any) by them or their relatives in the Company. Further, no change in the Board is envisaged on account of the Scheme.
- Creditors - Pursuant to the Scheme, there is no arrangement or compromise being proposed with the creditors, either secured or unsecured (including debenture holders), of the Company. The liability of the Company towards its creditors shall not undergo any change pursuant to the Scheme.
- Deposit holders and Deposit Trustees - As on date this Notice, the Company has no outstanding public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustee or on their material interests in the Company does not arise.
- Debenture Holders and Debenture Trustees:
 - Impact of the Scheme on the holders of the Non Convertible Debentures ("NCDs"): There is no impact on the interest of the NCD holders, since the repayment capacity of the Company is not impacted by the Scheme.
 - Safeguards for the protection of the holders of NCDs: Not applicable since NCD holders will not be impacted by the Scheme.
 - Exit offer to the dissenting holders of NCDs, if any: Not applicable since NCD holders will not be impacted by the Scheme.
 - The Company has not issued any Non Convertible Redeemable Preference shares.

Basis the above, the Board confirmed that the Scheme would not be detrimental to the interests of the holders of NCDs and the debenture trustee(s).

- Employees - The Scheme in no manner whatsoever affects the terms and conditions of employment of the employees of the Company.

12. The shareholding of the present Directors and KMPs of the Company, either individually or jointly, as a first holder or as a nominee as on December 31, 2023 is as under:

Name and Designation	Number of Shares held	Percentage to total paid up capital
Name of Director/ KMPs		
Mr N Chandrasekaran, Chairman	2,00,000	0.006
Mr Om Prakash Bhatt, Independent Director	NIL	NIL
Ms Hanne Sorensen, Independent Director	NIL	NIL
Ms Vedika Bhandarkar, Independent Director	NIL	NIL
Mr Kosaraju V Chowdary, Independent Director	NIL	NIL
Mr. Al Noor Ramji, Non-Executive - Independent Director	NIL	NIL
Ms. Usha Sangwan, Non-Executive - Independent Director	NIL	NIL
Mr. Girish Arun Wagh, Executive Director	33,500	0.001
Mr. P B Balaji, Group Chief Financial Officer	1,91,450	0.006
Mr. Maloy Kumar Gupta, Company Secretary and Compliance Officer	NIL	NIL
Total (A)	3,41,920	0.013
(B) Relatives of Directors and KMPs		
Mr. Natarajan Srinivasan, relative of Mr N Chandrasekaran	25,000	0.008
Mr. Manish Arun Wagh, relative of Mr. Girish Wagh	482	0.000
Mr. Girish Chowdary, relative of Mr Kosaraju V Chowdary	200	0.000
Total (B)	25,682	0.008
Grand Total (A + B)	3,67,602	0.021

13. Amounts due to Unsecured Creditors

As on November 30, 2023, the Company has 4,621 unsecured creditors (including debenture holders). The total amount due and payable by the Company to the aforementioned unsecured creditors is ₹18,703 crore.

14. List of ongoing investigations or proceedings, against the Company under the Act.

As on the date of the Notice, there are no investigations or proceedings pending against the Company under the provisions of the Act.

15. There are no pending litigations against our directors that would have an adverse impact on the Scheme or its implementation

16. Summary of the Valuation Report and Fairness Opinions

- The Capital Reduction Consideration for reduction in 'A' Ordinary Shares of the Company as a part of the Scheme has been fixed on a fair and reasonable basis and on the basis of the Valuation Report issued by the independent valuer - PwC Business Consulting Services LLP (SEBI Registered Valuer) ("Valuer").
- The Valuer has considered the market price approach, income approach and the net asset value approach, to arrive at the recommended Capital Reduction Consideration for reduction in 'A' Ordinary Shares of the Company in connection with the proposed Scheme.

- (c) The valuation methods used by the Valuer and the per share values determined by them are summarised in the tables below.

Capital Reduction Consideration

Method of Valuation	Ordinary Shares (INR)		'A' Ordinary Shares (INR)		Appendix
	Value per share	Weights	Value per share	Weights	
Asset Approach (NAV)	139.3	0.0%	139.3	0.0%	I
Income Approach (DCF)	653.0	33.3%	653.8	33.3%	II
Market Approach (Market Price)	622.7	66.7%	341.8	66.7%	III
Relative value per share	632.8	100.0%	445.8	100.0%	
Capital Reduction Consideration (rounded-off)	0.70:1				

7 (seven) fully paid-up Ordinary Shares of Tata Motors Limited of INR 2/- each for every 10 (ten) fully paid up 'A' Ordinary Shares of Tata Motors Limited of INR 2/- each.

Appendix I	
Asset Approach - Net Asset Value Method	
Particulars	INR Crores
Net Asset Value (on consolidated basis)	54,347.7
Add: Fair Value Adjustment for Investments (post tax)	60.9
Less: Contingent Liabilities #	(1,019.0)
Adjusted Net Asset Value	53,389.5
Total number of Ordinary Shares	3,321,490,582
Total number of 'A' Ordinary Shares	508,502,896
Dilutive impact on account of ESOPs outstanding*	2,283,369
Total number of shares (diluted)	3,832,276,847
Value per share (INR)	139.3
# Management estimate	
* Source: Information provided by TML	

Note: As there is no liquidation preference, value per Ordinary Share and value per 'A' Ordinary Share is the same

Appendix II	
Income Approach - Discounted Cash Flow Method	
Particulars	INR Crores
Net Present Value of horizon period	73,574.0
Present Value of terminal period	223,325.9
Enterprise Value	296,899.9
Less Debt and Debt Like Items	(124,690.2)
Add: Surplus Assets (Note 1)	69,967.2
Less: Contingent Liabilities #	(1,019.0)
Equity Value as of 31 March 2023	241,157.9
Roll forward adjustment	9,117.4

Equity Value as of 24 July 2023	250,275.4
Add: Cash on Stock Options exercised during April-Jun23	5.0
Equity Value as of 24 July 2023	250,280.4
Less: Value attributable to 'A' Ordinary Shares (on account of superior dividend rights)	(40.7)
Adjusted Equity value	250,239.7
Total number of Ordinary Shares	3,321,490,582
Total number of 'A' Ordinary Shares	508,502,896
Dilutive impact on account of ESOPs outstanding*	2,283,369
Total number of shares (diluted)	3,832,276,847
Value per share (INR)	653.0
* Source: Information provided by TML	
# Management estimate	

Particulars	Ordinary Shares	'A' Ordinary Shares
Value per share (INR)	653.0	653.0
Superior dividend rights	0.0	0.8
Value per share (INR)	653.0	653.8

Note 1: Surplus Assets	
Particulars	INR Crores
Cash and Cash Equivalents	38,360.3
Investments	26,440.0
Tax Assets (net)	561.4
Assets Held for Sale (net)	827.8
Deferred Tax Assets (net)	3,777.7
Total Surplus Assets	69,967.2

Appendix III

Market Approach - Market Price Method

Particulars	Ordinary Shares	'A' Ordinary Shares
10 trading day average	622.7	341.8
90 trading day average	522.7	275.1
Value per share (INR) - Higher of above	622.7	341.8
Source: NSE; VWAP as of 24 July 2023		

- (d) Based, *inter alia*, on the aforesaid, the Valuer has recommended the Capital Reduction Consideration as follows:-

The consideration under Clause 6 of the Scheme, for every 10 (ten) cancelled and extinguished fully paid-up 'A' Ordinary Shares of face value of INR 2/- (Indian Rupees Two only) each shall be:

"7 fully paid-up Ordinary Share(s) of face value of INR 2 (Indian Rupees Two only) each." ("Capital Reduction Consideration")

- (e) Further details of the valuation appear from the Valuation Report issued by the Valuer.
- (f) Citigroup Global Markets India Private Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. INM000010718), has confirmed the fairness of the Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in connection with the proposed Scheme, as recommended in the Valuation Report,

from a financial point of view, for the 'A' Ordinary Shareholders of the Company; by their fairness opinion dated July 24, 2023 issued to the Company, and annexed hereto as **Annexure 3A**.

- (g) Axis Capital Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. MB/INM000012029), has confirmed the fairness of the Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in connection with the proposed Scheme, as recommended in the Valuation Report, from a financial point of view, for the Ordinary Shareholders of the Company; by their fairness opinion dated July 24, 2023 issued to the Company, and annexed hereto as **Annexure 3B**.
- (h) The proposal for the Scheme was placed before the Audit Committee of the Company at its meeting held on July 24, 2023. The Audit Committee of the Company took into account the recommendations on the fair valuation mentioned in the Valuation Report provided by the Valuer, and annexed hereto as **Annexure 2** and the Fairness Opinions. The Audit Committee has recommended the proposed Scheme, including the Capital Reduction Consideration to the Board.
- (i) The Board have taken into account the independent recommendations of the Audit Committee, the recommendation of Capital Reduction Consideration provided in the Valuation Report provided by the Valuer and the Fairness Opinions.
- (j) Based on the aforesaid advice/opinions, the Board have come to conclusion that the Capital Reduction Consideration provided in the Valuation Report provided by the Valuer is fair and reasonable and has approved the same at its meeting held on July 25, 2023.

17. Shareholding pattern

17.1. Pre and post Scheme shareholding pattern - The pre-Scheme and post-Scheme shareholding patterns of the Company is attached as **Annexure 9**.

17.2. Pre and post Scheme capital structure

The pre and post capital structure of the Company considering the share capital as on December 31, 2023 is mentioned in Para 6 above.

Detail of capital restructuring

17.3. The existing shareholding of the 'A' Ordinary Shareholders in the Company shall stand cancelled and extinguished in accordance with Clause 5 of the Scheme is attached as **Annexure 1**.

17.4. Further, the authorised share capital of the Company in relation to its 'A' Ordinary Shares, i.e., ₹2,00,00,00,000/- (Indian Rupees Two Hundred Crore only) divided into 1,00,00,00,000 (One Hundred Crore) 'A' Ordinary Shares of ₹2/- (Indian Rupees Two only) each shall stand reclassified and consolidated along with the existing Ordinary Shares share capital, such that post effectiveness of the Scheme the authorized share capital of the Company is ₹10,00,00,00,000/- (Indian Rupees One Thousand Crore only) divided into 5,00,00,00,000 (Five Hundred Crore) Ordinary Shares of ₹2/- (Indian Rupees Two only) each.

18. Detail of debt restructuring

There shall be no debt restructuring of the Company pursuant to the Scheme

19. Auditors' Certificate on conformity of accounting treatment specified in the Scheme with Accounting Standards

The auditors of the Company have confirmed that the accounting treatment specified in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The Auditors' Certificate on conformity of accounting treatment is enclosed as **Annexure 4**.

20. Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending for the Scheme

The Ordinary Shares, 'A' Ordinary Shares, and NCDs of the Company are listed on the Stock Exchanges. BSE was appointed as the designated stock exchange by the Company for the purpose of coordinating with SEBI, pursuant to the SEBI Scheme Circulars. The Company has received observation letter regarding the Scheme from BSE on December 20, 2023, and from NSE on December 21, 2023, copy attached as **Annexure 10** and **Annexure 11** respectively. In terms of the observation letters, BSE, and NSE conveyed their no adverse observations/ no objection to the Scheme.

I. The NSE in its observation letter dated December 21, 2023, has noted as follows:

- a. The Company shall ensure that proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.
- c. Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Company and the Stock Exchanges.
- d. The Company shall ensure that no changes shall be made to the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchanges, except those mandated by the regulators/authorities/ tribunals.
- e. The Company shall ensure compliance with the SEBI circulars issued from time to time. The Company shall duly comply with various provisions of the SEBI Master Circular dated June 20, 2023.
- f. The Company shall ensure that information pertaining to all the Unlisted Companies involved in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying Resolution to be passed, which is sent to the shareholders for seeking approval.
- g. The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.
- h. The Company shall disclose the following as a part of the explanatory statement or notice or proposal accompanying Resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter.
 - Need and rationale for the reduction of 'A' Ordinary Share Capital of the TML.
 - Effect of the scheme on the equity shareholders of TML.
 - Brief on salient features and benefits of the scheme.
 - Details of Tax Liabilities arising out of the reduction of capital to the TML and to shareholders holding 'A' Ordinary Shares.
 - Rationale for setting up Trust for transfer of Consideration to the relevant shareholders.
 - Detailed process involved in calculation of actual number of shares to be allotted to relevant shareholders by Trust after meeting the tax liabilities along with illustrations.

- TML to provide a pictorial/diagrammatic presentation of proposed process of allotment of shares to relevant shareholders for better understanding of proposed scheme by shareholders.

- i. The Company shall prominently disclose the details of the proposed scheme under consideration as provided to the Stock Exchange in the notice sent to the Shareholders.
- j. The Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.
- k. The Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.
- l. The Company shall ensure that no changes shall be made to the draft scheme except those mandated by the regulators/ authorities/ tribunals without specific written consent of SEBI.
- m. The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.
- n. The Company shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.
- o. The Company shall ensure that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchange. Hence, the Company is not required to sent notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.

Comments in accordance with Regulation 59A of SEBI LODR Regulations read with SEBI Circular dated November 17, 2022.

- p. The Company shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular dated 29 July, 2022.
- q. The Company shall include information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part B of Schedule I of the SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/ NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered merchant banker after following the due diligence process.
- r. The Company shall ensure that the proposed scheme have complied with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) and any other relevant regulations and circulars.
- s. The listed entity shall disclose the No Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

i. The BSE in its observation letter dated December 20, 2023 has noted as follows:

- a. The proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of

Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015"

- b. Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken , if any against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- c. Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.
- d. The entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by the regulators/ authorities/ tribunal"
- e. Company shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular dated June 20, 2023.
- f. Company is advised that the information pertaining to all the Unlisted Companies involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying Resolution to be passed , which is sent to the share holders for seeking approval."
- g. Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.
- h. Company is advised to disclose:
 - i. Need and rationale for the reduction of 'A' Ordinary Share Capital of the TML
 - ii. Effect of the scheme on the equity shareholders of TML
 - iii. Brief on salient features and benefits of the scheme
 - iv. Details of Tax Liabilities arising out of the reduction of capital to the TML and to shareholders holding 'A' Ordinary shares
 - v. Rationale for setting up Trust to transfer of Consideration to the relevant shareholders
 - vi. Detailed process involved in calculation of actual number of shares to be allotted to relevant shareholders by Trust after meeting the tax liabilities along with illustrations.
 - vii. TML to provide a pictorial/ diagrammatic presentation of the proposed process of allotment of shares to relevant shareholders for better understanding of proposed scheme by shareholders.

as a part of explanatory statement or notice or proposal accompanying Resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter."
- i. Company shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."

- j. Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.
 - k. Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.
 - l. Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.
 - m. Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT.
 - n. Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.
 - o. It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/ observations on draft scheme by SEBI/stock exchange. Hence , the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."
- Comments in accordance with Regulation 59A of SEBI LODR Regulations read with SEBI Circular dated November 17, 2022.
- p. The entities involved in the proposed scheme shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per the provisions of Chapter XII of the Operational Circular dated July 29, 2022.
 - q. The listed entity involved in the proposed scheme shall include the information pertaining to the unlisted entity in the format specified in abridged prospectus as provided in Part B of Schedule I of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered Merchant Banker after following the due diligence process."
 - r. The entities involved in the proposed scheme shall have compiled with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars.
21. As per the comments contained in observation letters, the details of ongoing adjudication and recovery proceedings, prosecution initiated and all other enforcement action taken against the Company, its promoters and directors is enclosed as **Annexure 14**.
 22. Since no unlisted company is involved in the Scheme, the disclosure specified under Part E of Schedule VI of the ICDR Regulations, 2018, does not form part of this Notice.
 23. A copy of the Scheme has been filed by the Company with the Registrar of Companies, Mumbai, Maharashtra in Form No GNL-1 on March 28, 2024.
 24. As required under the SEBI Scheme Circulars, the Company has filed its Complaints Report with NSE on September 13, 2023 and BSE on October 13, 2023.
 25. Further, the Company has obtained consents by way of consent affidavits from its secured creditors constituting of INR 1,159.79/- crore (Indian Rupees One Thousand One Hundred Fifty Nine Crores Seventy Nine Lakhs only) in value, which constitutes the requisite majority in terms of the Act.
 26. The Scheme was filed by the Company with the Mumbai Bench of the Hon'ble on January 02, 2024. The Mumbai Bench of NCLT has vide Order dated March 22, 2024 and Order dated March 28, 2024
 - (a) given directions to convene separate meetings of the 'A' Ordinary Shareholders and Ordinary Shareholders of the Company;
 - (b) granted dispensation for holding meeting of secured creditors of the Company;
 - (c) granted dispensation for holding meeting of the unsecured creditors (including debenture holders) of the Company.
 27. Further, in view of the Company being a listed entity, the Scheme is subject to approval by the requisite majority of the public shareholders of the Company, as set out under SEBI Scheme Circular. For this purpose the term "public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. The SEBI Scheme Circular provides that "the Scheme of Arrangement shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it." Further, the Scheme is also subject to the subsequent sanction by the NCLT.
 28. The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.
 29. **Inspection of documents**

All documents/information required to be hosted on the website of the Company in terms of the SEBI Scheme Circulars can be accessed at www.tatamotors.com. The following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by the Ordinary Shareholders at its registered office at Bombay House, 24 Homi Mody Street, Mumbai - 400001 between Monday to Friday on any working day (except Saturdays, Sundays and public holidays) up to the date of the Meeting:

 - (a) Certified copy of the Orders dated March 22, 2024 and March 28, 2024 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench, in the Company Scheme Application C.A. (CAA) No. 9/MB of 2024, directing *inter alia* the calling, convening and conducting of the meeting of equity shareholders of the Company (i.e., 'A' Ordinary Shareholders and Ordinary Shareholders) and granting dispensation of secured creditors' and unsecured creditors' meetings;
 - (b) Copy of the Scheme of Arrangement between Tata Motors Limited and its shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013;
 - (c) Copies of the Memorandum of Association and Articles of Association of the Company;
 - (d) Copies of the observation letters dated December 20, 2023 issued by BSE Limited and December 21, 2023 issued by National Stock Exchange of India Limited to TML;
 - (e) Copy of the Report date July 25, 2023 adopted by the Board of Directors of the Company pursuant to Section 232(2)(c) of the Act;
 - (f) Register of Directors' and KMPs and their shareholding of the Company;
 - (g) Copy of the report of the Audit Committee of the Company dated July 24, 2023;
 - (h) Copy of the report of the Committee of the Independent Directors of TML dated July 24, 2023
 - (i) Pre- Scheme and post-Scheme shareholding patterns of TML;
 - (j) Copy of the Valuation Report dated July 24, 2023 issued by PwC Business Consulting Services LLP, Registered Valuers, (IBBI Registered Valuer Number IBBI/RV- E/02/2022/158);

- (k) Copy of the fairness opinion dated July 24, 2023 issued by Citigroup Global Markets India Private Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. INM000010718) and the fairness opinion dated July 24, 2023 issued by Axis Capital Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. MB/INM000012029) to the Company;
- (l) Copy of the certificate dated August 21, 2023 from BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), statutory auditors of the Company, to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;
- (m) Copy of the Pricing Certificate dated July 25, 2023 issued by B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), statutory auditors of the Company certifying that the minimum price of the Ordinary Shares proposed to be issued pursuant to the Scheme is in compliance with the provisions pertaining to pricing as contained in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2015;
- (n) Copies of the complaints report dated October 13, 2023 submitted to BSE and Complaints Report dated September 13, 2023 submitted to NSE by the Company;
- (o) Copies of the Financial Statements for the financial year ended March 31, 2023 of Tata Motors Limited and Audited Standalone and unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2023;
- (p) Copy of Form No. GNL-1 filed by the Company, with the concerned Registrar of Companies along with challan, evidencing filing of the Scheme;
- (q) There are no contracts or agreements that are material to the arrangement proposed under the Scheme;
- (r) Financial details of the Company and TML for the previous 3 (three) years;
- (s) All other documents displayed on the website of the Company at www.tatamotors.com in terms of the SEBI Scheme Circular, as amended and other relevant circulars issued by SEBI; and

- (t) All other documents referred to or mentioned in the Statement to this Notice.

Based on the above and considering the rationale and benefits of the Scheme, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company recommends the Scheme for approval of the shareholders. The Directors and KMPs of the Company and their relatives do not have any concern or interest, financially or otherwise, in the Scheme, except as shareholders, in general.

The Directors and KMPs of the Company, holding shares in the Company as mentioned above, and relatives of the Directors/KMPs of the Company do not have any concern or interest, financially or otherwise, in the Scheme except as shareholders in general.

This Statement may be treated as an explanatory statement under Sections 230(3) and 102 and any other applicable provisions of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

sd/-

Om Prakash Bhatt

DIN: 00548091

Date: March 29, 2024

Place: Mumbai

Chairperson appointed for the Meeting of
Ordinary Shareholders of Tata Motors Limited

Registered Office:

Tata Motors Limited

Bombay House, 24 Homi Mody Street,

Fort, Mumbai - 400001

CIN: L28920MH1945PLC004520

Tel: +91 22 6665 8282

Email: inv_rel@tatamotors.com; Website: www.tatamotors.com

CIN: L28920MH1945PLC004520

**SCHEME OF ARRANGEMENT
OF
TATA MOTORS LIMITED
AND
ITS SHAREHOLDERS AND CREDITORS
UNDER SECTION 230 TO SECTION 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013**

PART A – GENERAL

PREAMBLE

This scheme of arrangement ('Scheme', *as more particularly defined hereunder*) is presented under Section 230 – Section 232 and other applicable provisions of the Act (*as defined below*) between Tata Motors Limited ('Company', *as more particularly defined hereunder*) and its shareholders and creditors. The Scheme provides *inter alia* for the (a) reduction through cancellation of the 'A' Ordinary Shares (*as defined below*) and the consequent issuance and allotment of the Ordinary Shares (*the Ordinary Shares issued by the Company as the consideration pursuant to this Scheme is hereinafter referred to as 'New Ordinary Shares' and such term is more particularly defined in Clause 6.5*), as consideration other than cash for such reduction; (b) amendments to the memorandum of association of the Company ("MoA"), articles of association of the Company ("AoA") and authorised share capital of the Company; and (c) various other matters incidental to, consequential to and/ or otherwise connected with the above, under Section 230 – Section 232 and other applicable provisions of the Act, the SEBI Scheme Circular (*as defined below*) and the SEBI Scheme Circular – Debt (*as defined below*).

I. INTRODUCTION

TATA MOTORS LIMITED is a public limited company incorporated under the laws of India bearing corporate identification number L28920MH1945PLC004520 and having its registered office at Bombay House, 24, Homi Mody Street, Mumbai - 400001 ("**Company**"). Its 'A' Ordinary Shares, Ordinary Shares (*as defined below*) and NCDs (*as defined below*) are listed on the NSE (*as defined below*) and BSE Limited (*as defined below*). The Company, directly and indirectly through its subsidiaries and joint ventures, is engaged *inter alia* in the business of design, development, manufacturing and sale of a wide range of commercial, passenger and electric vehicles and parts thereof within India and abroad.

II. RATIONALE AND PURPOSE OF THE SCHEME

1. The Company issued the 'A' Ordinary Shares in 2008 as part of a rights issue with the objective of *inter alia* funding certain overseas investments. The 'A' Ordinary Shares were issued at a discount to the Ordinary Shares.
2. The rights attached to the 'A' Ordinary Shares are similar to the rights attached to the Ordinary Shares in all respects except as to voting and dividend, as detailed in Clause 1.1(e).

3. This was the first issuance of 'A' Ordinary Shares by the Company and as on the date of issuance of the 'A' Ordinary Shares, there were limited instances of issuances of equity shares with differential rights as to voting and dividend by Indian listed companies of the Company's market capitalization and size.
4. Subsequent regulatory changes restricted the issuance of shares with differential voting rights, resulting in a narrow market for similar instruments. The discount in the price at which the 'A' Ordinary Shares trade *vis-à-vis* the Ordinary Shares has increased since the date of listing of the 'A' Ordinary Shares. This has the effect of significantly understating the Company's market capitalization, contributes to a complex capital structure and increases administrative complexity *vis-à-vis* maintaining 2 (two) separate classes of shares.
5. In light of this background, the Company seeks to reorganise its share capital in accordance with Section 230 – Section 232 of the Act by cancelling and extinguishing 'A' Ordinary Shares and paying consideration to the holders of the 'A' Ordinary Shares in the form of New Ordinary Shares. The reorganization of share capital envisaged by this Scheme is expected to:
 - (a) simplify and consolidate the Company's capital structure and preserve liquidity for the Company's growth; and
 - (b) be value accretive and beneficial for all shareholders of the Company and allow the holders of the 'A' Ordinary Shares and Ordinary Shares to continue to participate in the Company's performance.
6. The networth of the Company as on June 30, 2023, is INR 21,167 Cr. The reduction of the 'A' Ordinary Shares contemplated by this Scheme will not affect the ability or liquidity of the Company to meet any of its financial obligations/ commitments. The Scheme will not have any adverse impact on the creditors as further elaborated in Clause 11.
7. The Scheme will be in the best interest of the concerned stakeholders of the Company, including the holders of Ordinary Shares and the holders of 'A' Ordinary Shares.

III. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- (a) **PART A** deals with the background of the Company, rationale and objective of the Scheme;
- (b) **PART B** deals with the definitions, interpretation and share capital;
- (c) **PART C** deals with the capital reorganisation of the Company; and
- (d) **PART D** deals with the general terms and conditions applicable to the Scheme.

PART B – DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

- 1.1 In this Scheme, unless the context or meaning otherwise requires: (a) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme; and (b) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

- (a) “**3(a)(10) Exemption**” shall have the meaning set out in Clause 6.13;
- (b) “**Accounting Standards**” means the Indian Accounting Standards as notified under the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India or made applicable to the Company;
- (c) “**Act**” means the Companies Act, 2013 and any rules, regulations, circulars, notifications, clarifications, orders or guidelines issued thereunder and as amended from time to time and include any statutory replacement or re-enactment thereof, if the context so requires and as may be applicable;
- (d) “**Adjustment Amount**” shall have the meaning set out in Clause 6.5;
- (e) “**A’ Ordinary Shares**” means the equity shares of the Company with differential rights as to voting and dividend as set out below and having a face value of INR 2 (Indian Rupees Two only) each and bearing ISIN IN9155A01020:
 - (i) *Dividend*: The holders of ‘A’ Ordinary Shares receive dividend for a financial year at 5 (five) percentage points more than the aggregate rate of dividend declared on Ordinary Shares for that financial year; and
 - (ii) *Voting*: The holders of ‘A’ Ordinary Shares have the right to attend general meetings and class meetings of all holders of Ordinary Shares, and their voting rights at such meetings are as follows:
 - (A) if a resolution is put to vote by a show of hands, each holder of ‘A’ Ordinary Shares is entitled to 1 (one) vote, i.e., the same number of votes as available to holders of Ordinary Shares; and
 - (B) if a resolution is put to vote by poll or postal ballot, each holder of ‘A’ Ordinary Shares is entitled to 1 (one) vote for every 10 (ten) ‘A’ Ordinary Shares held. Fractional voting rights of holders of ‘A’ Ordinary Shares shall be ignored;
- (f) “**AoA**” shall have the meaning set out in the Preamble;
- (g) “**Applicable Law**” or “**Law**” means with respect to any Person, any binding federal, state, national or local statute, law, ordinance, notification, rule, regulation, order, writ, injunction, directive, judgment or decree, or other requirement of any governmental authority applicable to such Person or any of their respective properties or assets;
- (h) “**Appointed Date**” means the Effective Date;
- (i) “**Board of Directors**” or “**Board**” in relation to the Company means the board of directors of the Company, and shall include a committee (existing or to be constituted subsequently by the Board) or any other delegate(s) duly authorised for the purposes of the matters pertaining to this Scheme and / or to take decisions prescribed under the Scheme and / or to decide or act on any other matter relating thereto;
- (j) “**BSE**” means BSE Limited;

- (k) **“Capital Reduction Consideration”** shall have the meaning set out in Clause 6.4;
- (l) **“Company”** shall have the meaning set out in paragraph I of Part A of the Scheme;
- (m) **“Convertible Cumulative Preference Shares”** shall have the meaning determined in accordance with the AoA and the MoA;
- (n) **“Effective Date”** means the date on which the certified copy of the order of the NCLT sanctioning the Scheme is filed by the Company with the Registrar of Companies;

References in this Scheme to the date of ‘coming into effect of this Scheme’ or the ‘effectiveness of this Scheme’ or the ‘Scheme coming into effect’ shall mean the Effective Date;
- (o) **“Employee Stock Option Scheme”** means the: (i) Tata Motors Limited Employees Stock Options Scheme 2018; and/ or (ii) Tata Motors Limited Share-based Long Term Incentive Scheme 2021 and/ or (iii) any other employee stock option schemes to be introduced by the Company;
- (p) **“INR” or “Rs.”** means Indian Rupees, the lawful currency of the Republic of India;
- (q) **“MoA”** shall have the meaning set out in the Preamble;
- (r) **“NCD”** means the outstanding non-convertible debentures of the Company listed on the Stock Exchanges from time to time, and includes the non-convertible debentures of the Company as listed in **Annexure A**;
- (s) **“NCLT”** means the National Company Law Tribunal, Mumbai Bench, as constituted and authorised as per the applicable provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – Section 232 of the Act;
- (t) **“New Ordinary Shares”** shall have the meaning set out in Clause 6.5;
- (u) **“NSE”** means National Stock Exchange of India Limited;
- (v) **“Ordinary Shares”** means the equity shares of the Company having a face value of INR 2 (Indian Rupees Two only) each and bearing ISIN INE155A01022;
- (w) **“Person”** means any individual (including in his capacity as trustee), entity, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship or other enterprise (whether incorporated or not), Hindu undivided family, trust, union, association of persons, governmental authority, or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;
- (x) **“Preamble”** shall mean the preamble of this Scheme;
- (y) **“Record Date”** means the date to be fixed by the Board of Directors for the purpose of determining the names of the holders of ‘A’ Ordinary Shares who shall be entitled to receive consideration under Clause 6;

- (z) **“Registrar of Companies”** means the Registrar of Companies having jurisdiction over the Company;
- (aa) **“Relevant Shareholders”** shall have the meaning set out in Clause 6.3;
- (bb) **“Scheme”** or **“the Scheme”** or **“this Scheme”** or **“Scheme of Arrangement”** means this scheme of arrangement in its present form or as amended or with any modification(s) approved or imposed or directed by the NCLT or any other governmental authorities, pursuant to the provisions of Section 230 – Section 232 and other applicable provisions, if any, of the Act;
- (cc) **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- (dd) **“SEBI LODR Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including all circulars and notifications issued thereunder, as amended from time to time;
- (ee) **“SEBI Regulations”** means any acts, rules, regulations, circulars, notifications, clarifications, orders or guidelines issued by SEBI and as amended from time to time and include any statutory replacement or re-enactment thereof, if the context so requires and as may be applicable;
- (ff) **“SEBI Scheme Circular”** means the SEBI master circular bearing no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 *‘Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957’* dated June 20, 2023, as amended from time to time or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;
- (gg) **“SEBI Scheme Circular - Debt”** means circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022 issued by SEBI, as amended from time to time;
- (hh) **“Securities Act”** shall have the meaning set out in Clause 6.13;
- (ii) **“Stock Exchanges”** means collectively the BSE and the NSE;
- (jj) **“Tax Laws”** means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;
- (kk) **“Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, dividend, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, advance tax, goods and services tax, securities transaction tax or any other transfer taxes or otherwise, in each case attributable directly or primarily to the Company or any other Person and all surcharge, cess penalties, charges, costs and interest relating thereto; and
- (ll) **“Trust”** means the irrevocable determinate trust constituted under the Indian Trusts Act, 1882 by the Company, having an independent trustee, for the purposes of receiving the New Ordinary Shares from the Company on behalf and for the

benefit of each of the Relevant Shareholders, selling the requisite number of New Ordinary Shares to discharge obligations in relation to Taxes, distributing the remaining New Ordinary Shares to the Relevant Shareholders, and undertaking all other related matters as detailed in this Scheme, including in Clause 6.

2. INTERPRETATION

- 2.1** References to clauses, unless otherwise provided, are to the clauses to this Scheme.
- 2.2** Headings, sub-headings, titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.
- 2.3** All references in this Scheme to statutory provisions shall be construed as meaning and including references to:
- (a) any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Board and for the time being in force;
 - (b) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
 - (c) all statutory instruments or orders made pursuant to a statutory provision; and
 - (d) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- 2.4** Unless the context otherwise requires:
- (a) the singular shall include the plural and vice versa, and references to one gender include all genders;
 - (b) references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative's body (whether or not having separate legal personality);
 - (c) reference to days, months and years are to calendar days, calendar months and calendar years, respectively;
 - (d) any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form;
 - (e) the words "include" and "including" are to be construed without limitation and
 - (f) where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by NCLT shall be operative and effective from the Effective Date.

4. SHARE CAPITAL

The authorised, issued, subscribed and paid-up share capital of the Company as on June 30,

2023 is as under:

Particulars	Amount in INR
Authorised Share Capital	
4,00,00,00,000 (Four Hundred Crore) Ordinary Shares of INR 2 (Indian Rupees Two only) each	8,00,00,00,000
1,00,00,00,000 (One Hundred Crore) 'A' Ordinary Shares of INR 2 (Indian Rupees Two only) each	2,00,00,00,000
30,00,00,000 (Thirty Crore) Convertible Cumulative Preference Shares of INR 100 (Indian Rupees One Hundred only) each	30,00,00,00,000
Total	40,00,00,00,000
Issued Share Capital	
3,32,19,83,141 (Three Hundred Thirty Two Crore Nineteen Lakh Eighty Three Thousand One Hundred and Forty One) Ordinary Shares of INR 2 (Indian Rupees Two only) each	6,64,39,66,282
50,87,36,110 (Fifty Crore Eighty Seven Lakh Thirty Six Thousand One Hundred and Ten) 'A' Ordinary Shares of INR 2 (Indian Rupees Two only) each	1,01,74,72,220
Total	7,66,14,38,502
Subscribed Share Capital	
3,32,14,90,582 (Three Hundred Thirty Two Crore Fourteen Lakh Ninety Thousand Five Hundred and Eighty Two) Ordinary Shares of INR 2 (Indian Rupees Two only) each	6,64,29,81,164
50,85,02,896 (Fifty Crore Eighty Five Lakh Two Thousand Eight Hundred and Ninety Six) 'A' Ordinary Shares of INR 2 (Indian Rupees Two only) each	1,01,70,05,792
Total	7,65,99,86,956
Paid-up Share Capital	
3,32,14,90,582 (Three Hundred Thirty Two Crore Fourteen Lakh Ninety Thousand Five Hundred and Eighty Two) Ordinary Shares of INR 2 (Indian Rupees Two only) each	6,64,34,58,669*
50,85,02,896 (Fifty Crore Eighty Five Lakh Two Thousand Eight Hundred and Ninety Six) 'A' Ordinary Shares of INR 2 (Indian Rupees Two only) each	1,01,70,05,792
Total	7,66,04,64,461*

* The paid-up share capital of the Company is subject to the following adjustments viz. (a)

addition of INR 4,77,945 (Indian Rupees Four Lakh Seventy Seven Thousand Nine Hundred and Forty Five only) on account of share forfeiture, being paid-up value of partly-paid Ordinary Shares forfeited in the financial year 1998-1999 and financial year 1999-2000 for the non-receipt of call monies and remaining unissued as on June 30, 2023 (b) less INR 440 (Indian Rupees Four Hundred and Forty only) on account of calls in arrear towards 310 (Three Hundred and Ten) Ordinary Shares of INR 2 (Indian Rupees Two only) each (INR 1 (Indian Rupees One only) outstanding on each) and 260 (Two Hundred and Sixty) Ordinary Shares of INR 2 (Indian Rupees Two only) each (INR 0.50 (Indian Rupees Fifty paise only) outstanding on each). To clarify, without such adjustments, the paid-up share capital of the Company as on June 30, 2023 aggregates to INR 7,65,99,86,956 (Indian Rupees Seven Hundred and Sixty Five Crore Ninety Nine Lakh Eighty Six Thousand Nine Hundred and Fifty Six only).

Note: *The Company has outstanding employee stock options and performance share units under its Employee Stock Option Scheme, the exercise of which may result in an increase in its number of Ordinary Shares and its issued and paid-up capital from time to time. The total number of Ordinary Shares that can be issued under: (a) Tata Motors Limited Employees Stock Option Scheme 2018; and (b) Tata Motors Limited Share-based Long Term Incentive Scheme 2021 shall not exceed 0.406% (point four zero six percent) and 0.235% (point two three five percent), respectively, of the issued share capital of the Company.*

PART C – CAPITAL REORGANISATION OF THE COMPANY

5. REDUCTION OF THE ‘A’ ORDINARY SHARES

- 5.1** Upon the Scheme becoming effective, the share capital of the Company pertaining to the ‘A’ Ordinary Shares (including the subscribed, issued and paid up share capital pertaining to the ‘A’ Ordinary Shares) as on the Effective Date will be reduced on the Effective Date, i.e., by cancelling and extinguishing all ‘A’ Ordinary Shares held by the relevant holders of the ‘A’ Ordinary Shares as on the Record Date, for the consideration mentioned in Clause 6.
- 5.2** The reduction of the share capital of the Company to the extent of the ‘A’ Ordinary Shares as aforesaid will not involve any diminution of liability in respect of the unpaid share capital.
- 5.3** The reduction of the ‘A’ Ordinary Shares shall be effected pursuant to and as an integral part of this Scheme per the provisions of Section 230 – Section 232 of the Act pursuant to the order of the NCLT, and the provisions of Section 66 of the Act shall not apply to such reduction. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under the applicable provisions of the Act confirming the reduction of the ‘A’ Ordinary Shares.
- 5.4** The approvals obtained by the Company in relation to this Scheme (including approvals from the shareholders of the Company pursuant to Section 230 – Section 232 of the Act) shall be deemed to be sufficient approval(s) for giving effect to the provisions of Clause 5 and Clause 6 of this Scheme and for the avoidance of doubt, the Company shall not be required to obtain any separate approvals under Section 52, Section 66 and the other related provisions of the Act to effect the reduction by way of cancellation and extinguishment of ‘A’ Ordinary Shares. The Company shall not, nor shall be obliged to: (a) in addition to the approvals obtained by the Company in relation to this Scheme, call for a separate meeting of its shareholders and creditors for obtaining their approval for sanctioning the reduction of the ‘A’ Ordinary Shares or any other steps contemplated under this Scheme; or (b) obtain any additional approvals / compliances, under Section 66 of the Act.

- 5.5 The Scheme will not have any adverse impact on the creditors as further elaborated in Clause 11. There will be no change in the general reserves of the Company as a result of the reduction of 'A' Ordinary Shares pursuant to this Clause 5 of the Scheme. The Company shall not be required to add the words "And Reduced" as a suffix to its name consequent upon such reduction.
- 5.6 Upon the Scheme becoming effective, and without the requirement for any further application, act, deed, consent or other actions from the holders of 'A' Ordinary Shares (including surrendering of share certificates and/ or sending appropriate instructions to the depository participants), the 'A' Ordinary Shares shall stand cancelled, extinguished and rendered invalid in accordance with this Scheme.

6. CONSIDERATION

- 6.1 The consideration for reduction of the 'A' Ordinary Shares pursuant to Clause 5, is payable by way of consideration other than cash. Upon effectiveness of the Scheme and in accordance with the terms hereof, including Clause 5, the Company shall issue New Ordinary Shares to the holders of the 'A' Ordinary Shares as consideration for the reduction and cancellation of the 'A' Ordinary Shares. The issuance of consideration in the form of New Ordinary Shares rather than cash will have various benefits, including: (a) preserving liquidity for the Company's growth; (b) allowing the holders of the 'A' Ordinary Shares to continue to participate in the Company's performance; and (c) the benefits set out in paragraph II.5 of Part A of the Scheme.
- 6.2 For the purposes of, *inter alia*, transfer of the Capital Reduction Consideration (*as defined below*) by the Company to the Relevant Shareholders (*as defined below*), the Company shall, prior to the Effective Date have settled the Trust. The Trust will receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders as contemplated in Clause 6.4, and will thereafter, post-sale of the requisite number of New Ordinary Shares to discharge obligations in relation to Total Adjustment Amounts (*as defined below*) and completion of the other actions more specifically enumerated in this Clause 6, *inter alia*, distribute the remaining New Ordinary Shares to the Relevant Shareholders in terms of this Scheme.
- 6.3 In this regard, following the effectiveness of the Scheme, the Company shall, issue New Ordinary Shares on behalf and for the benefit of each holder of the 'A' Ordinary Shares whose shares have been cancelled in accordance with Clause 5 and whose names appear in the register of members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date ("**Relevant Shareholders**"), without any further application, act or deed, save for: (a) any documents required from the holders of 'A' Ordinary Shares pursuant to this Scheme; and (b) the actions required from the Trust pursuant to this Scheme.
- 6.4 The consideration specified under this Clause 6, for every 10 cancelled and extinguished fully paid-up 'A' Ordinary Shares of face value of INR 2 (Indian Rupees Two only) each shall be:
"7 fully paid-up Ordinary Share(s) of face value of INR 2 (Indian Rupees Two only) each." ("Capital Reduction Consideration")

Immediately post issuance and allotment, the Company shall take necessary steps for obtaining the listing and trading approvals for the issued shares in accordance with this Scheme.

- 6.5** The Ordinary Shares issued by the Company as the consideration pursuant to this Scheme are referred to as the “**New Ordinary Shares**”. The New Ordinary Shares shall be issued/ transferred to the Relevant Shareholders pursuant to Clause 6 in the manner set out below:
- (a) Upon effectiveness of this Scheme, the Company shall issue and allot the New Ordinary Shares to the Trust, which shall hold the New Ordinary Shares on behalf and for the benefit of each Relevant Shareholder.
 - (b) The Company shall notify the Trust of:
 - (i) the details of the demat account, bank account and other details of each Relevant Shareholder, as available in the records of the Company;
 - (ii) the number of New Ordinary Shares issued in respect of each Relevant Shareholder; and
 - (iii) the amount to be withheld from the consideration attributable to each Relevant Shareholder under Applicable Law (including Tax Laws) (“**Adjustment Amount**”).
 - (c) the Trust shall, upon allotment of the New Ordinary Shares, sell such number of New Ordinary Shares on the Stock Exchanges, as may be required to: (i) realise the aggregate Adjustment Amount notified by the Company pursuant to Clause 6.5(b); and (ii) discharge costs attributable to capital gains tax, securities transaction tax, transaction cost(s), brokerage charges, and any other expenses akin to the foregoing payable solely with respect to the sale of New Ordinary Shares pursuant to this Clause (collectively with sub-clause (i) of this Clause 6.5(c), the “**Total Adjustment Amount**”). For the avoidance of doubt, costs attributable to the fees payable to advisors (including legal, tax, merchant banker and accounting), the fees payable to the trustee of the Trust and any other expenses akin to the foregoing costs, pursuant to this Clause 6 shall be borne by the Company, *inter alia*, through the Trust’s corpus and/ or through the Trust invoicing the Company. The Trust shall determine the number of New Ordinary Shares to be sold, the timing of the sale and the Stock Exchange on which such sale should be undertaken based on the advice of a merchant banker appointed by the Trust in this regard, provided however that such sale shall be concluded before the end of the calendar month as in which the Record Date falls, unless otherwise decided by the Board in accordance with the Applicable Law;
 - (d) promptly following completion of such sale, the Trust shall:
 - (i) immediately thereafter, remit the aggregate Adjustment Amount to the Company;
 - (ii) within 7 (seven) days from the date of such sale, transfer the New Ordinary Shares to the demat account of each Relevant Shareholder based on the Capital Reduction Consideration, less any New Ordinary Shares sold by the Trust to realise the Total Adjustment Amount in respect of such Relevant Shareholder;
 - (iii) within 7 (seven) days from the date of such sale, remit excess cash (if any) realized by the Trust in respect of the New Ordinary Shares sold by it. Such amounts shall be distributed *pro rata* to the New Ordinary Shares sold in respect of the Relevant Shareholders; and

- (iv) undertake such additional action as may be required under Applicable Law, including any filings in relation to the Foreign Exchange Management (Mode of Payment and Reporting of Non-debt Instruments) Regulations, 2019.
- (e) the Company shall deposit the aggregate Adjustment Amount with the relevant governmental authority in the manner prescribed under Applicable Law (including Tax Laws) and shall provide each Relevant Shareholder such documents as are required to be provided by the Company under Applicable Law to evidence such payment.
- (f) The Company may, through its investor outreach/ communication made separately to the Relevant Shareholders, seek such information or documents from holders of 'A' Ordinary Shares as may be required to effect the transactions contemplated in this Clause 6, including to determine the Adjustment Amount and to enable credit of the New Ordinary Shares and the determined amount of cash to the demat account and bank account of the Relevant Shareholders. If such information or documents requested is not provided by such Relevant Shareholder to the Company's satisfaction, and within the timelines prescribed by the Company, the Company shall be entitled to deduct or withhold amounts from the consideration payable to such Relevant Shareholder under Clause 6 at the highest rate specified under Applicable Law, prior to issuing the New Ordinary Shares to such holders of the 'A' Ordinary Shares.
- (g) if the Company does not receive details of the demat accounts or bank accounts of any Relevant Shareholder, or if the details furnished by any Relevant Shareholder do not permit electronic credit of the New Ordinary Shares or the cash payments, then the New Ordinary Shares relating to such Relevant Shareholder shall be held by the Trust until the New Ordinary Shares and cash amounts are transferred to the escrow accounts as contemplated under Clause 6.5(h) below and will only be credited to the respective depository participant account/ bank account of the Relevant Shareholder when the details of such Relevant Shareholder's accounts with the depository participant and/ or bank are intimated in writing to the Company.
- (h) if any New Ordinary Shares, including cash payments pursuant to Clause 6 have not been claimed by or paid to a Relevant Shareholder as on March 15 of the relevant financial year on which the Record Date falls, such amounts and New Ordinary Shares shall be transferred by the Trust to non-interest bearing escrow account and a demat escrow account respectively, in each case opened and maintained by the Company in this regard, and will be remitted to such Relevant Shareholders when the details of such Relevant Shareholder's bank account/ demat account are intimated in writing to the Company. Any unclaimed New Ordinary Shares, along with the dividend accrued on such unclaimed New Ordinary Shares (if any) shall be treated as 'unclaimed shares' and 'unclaimed dividend' for the purposes of the Act, including for the purposes of Section 124 and Section 125 of the Act, and shall be treated in the manner prescribed under the Act for 'unclaimed shares' and 'unclaimed dividend'.
- (i) the Trust shall complete all actions required by it within the periods set out in Clause 6, which period may be extended by the Board if it so deems fit, provided that no extension by the Board shall result in the time period extending beyond 90 (ninety) days from the date of allotment of such New Ordinary Shares by the Company.

- (j) the Trust shall stand dissolved upon completion of its obligations under Clause 6, and the Trust and/ or the Board shall be entitled to undertake any and all actions as may be required to give effect to such dissolution in accordance with the terms of the trust deed. Any amounts pending with the Trust subsequent to fulfillment of its purpose and completion of its obligations under Clause 6 shall be dealt with in the manner set out in the trust deed.
- 6.6** The New Ordinary Shares shall be subject to the Scheme, the MoA and AoA of the Company and Applicable Laws, and shall rank *pari passu* with the Ordinary Shares of the Company, including with respect to dividend.
- 6.7** No New Ordinary Shares shall be allotted in respect of fractional entitlements by the Company to which the Relevant Shareholders may be entitled on allotment as per Clause 6. If any Relevant Shareholder is entitled to fractional entitlements on account of the Capital Reduction Consideration applicable to him/ her/ it, subject to receipt of appropriate approvals, if any, the Company shall consolidate such fractional entitlements and thereupon allot the New Ordinary Shares in lieu thereof to the Trust who shall hold the New Ordinary Shares in trust on behalf and for the benefit of each of the Relevant Shareholders entitled to fractional entitlements with the express understanding that the Trust shall sell the New Ordinary Shares so allotted on the Stock Exchanges at such time or times and at such price or prices and to such Person, as the Trust deems fit (which sale shall be undertaken before the end of the month as in which the Record Date falls unless otherwise decided by the Board in accordance with the Applicable Law, provided that no extension by the Board shall result in the time period extending beyond 90 (ninety) days from the date of allotment of such New Ordinary Shares by the Company), and shall distribute the net sale proceeds in cash, subject to tax deductions and other expenses as applicable in line with Clause 6.5(c), to the Relevant Shareholders in proportion to their respective fractional entitlements (along with such documents as applicable to the Relevant Shareholder as are required to be provided under Applicable Law to evidence such payment). In case the aggregate number of such New Ordinary Shares to be allotted to the Trust (as contemplated above) as part of the applicable Capital Reduction Consideration, by virtue of consolidation of fractional entitlements, is a fraction, it shall be rounded off to the next higher integer.
- 6.8** All the Relevant Shareholders who hold the 'A' Ordinary Shares in physical form shall also receive the New Ordinary Shares to be transferred from the Trust in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Company and/ or its registrar within the timeline prescribed by the Company in its communications to the Relevant Shareholders and the details of the same shall be intimated to the Trust.
- 6.9** The amount payable in cash pursuant to Clause 6 shall be discharged by issue of cheque, draft, pay order/ warrant or demand draft, electronic transfer of funds, NEFT/ RTGS/ IMPS, as may be decided by the Trust, based on the bank details of such holder of 'A' Ordinary Shares as available with the Company or its registrar within the timeline prescribed by the Company in its communications to the Relevant Shareholders, the details of which shall be intimated to the Trust.
- 6.10** In the event of there being any pending share transfers, whether lodged or outstanding, of any Relevant Shareholders, the Board shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of 'A' Ordinary Shares, after the effectiveness of this Scheme. The Board shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders as holders

of 'A' Ordinary Shares, as required, on account of difficulties faced in the transaction period.

- 6.11** To the extent cash is payable to the Relevant Shareholders who are non-residents, the Company and the Trust shall comply with the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder and may seek any information from such Relevant Shareholders as on the Record Date to comply with the said provisions. If the payment of cash to any Relevant Shareholders pursuant to the Scheme is subject to approval of a governmental authority, and such approval has not been obtained after satisfaction of all the conditions to this Scheme, the Trust may complete the payment of such cash only after the relevant approval is obtained.
- 6.12** The New Ordinary Shares to be issued to the Trust and any cash payments held in trust on behalf and for the benefit of the Relevant Shareholders pursuant to Clause 6 in respect of any 'A' Ordinary Shares which are held in abeyance under Applicable Laws (including the provisions of Section 126 of the Act) or which the Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise ("**Relevant Shares/ Cash**") shall, pending allotment or settlement of dispute by order of NCLT or otherwise, be held in abeyance by the Company, provided however if any such Relevant Shares/ Cash continue to be held in abeyance by the Company as on March 15 of the relevant financial year on which the Record Date falls, such Relevant Shares/ Cash shall be transferred by the Trust to a demat escrow account and non-interest bearing escrow account respectively, in each case opened and maintained by the Company, and will be remitted to such Relevant Shareholders upon receipt of the necessary approvals or upon allotment or settlement of the relevant dispute by order of the NCLT or otherwise, as the case may be, in each case, in accordance with Applicable Law. Any unclaimed Relevant Shares/ Cash, along with the dividend accrued on such unclaimed Relevant Shares/ Cash (if any) shall be treated as 'unclaimed shares' and 'unclaimed dividend' for the purposes of the Act, including for the purposes of Section 124 and Section 125 of the Act, and shall be treated in the manner prescribed under the Act for 'unclaimed shares' and 'unclaimed dividend'.
- 6.13** The New Ordinary Shares issued and distributed pursuant to this Scheme shall not be registered under the United States Securities Act of 1933 as amended ("**Securities Act**"), in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) of the Securities Act ("**3(a)(10) Exemption**") and shall not constitute a "public offer" or a "public issue" as such term may be defined under the SEBI Regulations. The order of the NCLT sanctioning this Scheme will be relied upon by the Company for the purpose of qualifying the issuance and distribution of New Ordinary Shares pursuant to and as a result of this Scheme and the Section 3(a)(10) Exemption. Approval of this Scheme by the shareholders of the Company shall be deemed to be due compliance of the provisions of Section 42, Section 62 and other relevant and applicable provisions of the Act and rules made thereunder. Nothing contained under this Scheme shall be deemed to constitute an invitation/ offer to acquire and/ or an invitation/ offer to sell securities by the Company or the Trust.
- 6.14** The New Ordinary Shares will be listed and/ or admitted to trading on the Stock Exchanges, and the Company will initiate the necessary steps in this regard immediately upon issuance of the New Ordinary Shares. The Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Laws or regulations with the formalities of the said Stock Exchange. The New Ordinary Shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange.

PART D –GENERAL TERMS AND CONDITIONS

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

The Company shall abide by the Accounting Standards, for giving effect to the Scheme. Upon the Scheme becoming effective, the Company shall:

- (a) account for the reduction of the 'A' Ordinary Share capital in its books of accounts in accordance with the requirement of the Accounting Standards by debiting the 'A' Ordinary Share capital account by the face value of the 'A' Ordinary Shares, debiting the securities premium account for the difference between face value and fair value of the "A" Ordinary shares and crediting share adjustment account;
- (b) account for the issuance and allotment of the New Ordinary Shares in its books of accounts in accordance with the requirement of the Accounting Standards by crediting the Ordinary Share capital account by the face value of the New Ordinary Shares, crediting the securities premium account for the difference between face value and fair value of the New Ordinary shares and debiting share adjustment account; and
- (c) account for the expenses incurred on the reduction of the 'A' ordinary share capital in the retained earnings and the expenses on the listing of the New Ordinary Shares on Stock Exchanges in the statement of profit and loss, in accordance with the requirement of the Accounting Standards.

8. AMENDMENTS TO THE MOA OF THE COMPANY

8.1 Amendments to authorised share capital

- (a) As an integral part of the Scheme, and, upon coming into effect of the Scheme, the authorised share capital of the Company in relation to its 'A' Ordinary Shares as specified in Clause 4, i.e., INR 2,00,00,00,000 (Indian Rupees Two Hundred Crore only) divided into 1,00,00,00,000 (One Hundred Crore) 'A' Ordinary Shares of INR 2 (Indian Rupees Two only) each shall stand reclassified and consolidated along with the existing Ordinary Shares share capital, such that post effectiveness of the Scheme the authorized share capital of the Company is INR 10,00,00,00,000 (Indian Rupees One Thousand Crore only) divided into 5,00,00,00,000 (Five Hundred Crore) Ordinary Shares of INR 2 (Indian Rupees Two only) each;
- (b) Further, as an integral part of the Scheme, and upon coming into effect of the Scheme all provisions and references which relate to 'A' Ordinary Shares under the MoA, shall stand deleted/ modified/ substituted to Ordinary Shares (as may be applicable), without any further act, instrument or deed on the part of the Company;
- (c) In order to give effect to the reclassification of share capital of the Company as specified in Clause 8.1(a), Clause V of the MoA shall be altered as set out below, upon coming into effect of the Scheme and without any further act or deed:

"V. The authorized share capital of the Company is INR 10,00,00,00,000 (Indian Rupees One Thousand Crore only) Ordinary Shares divided into 5,00,00,00,000 (Five Hundred Crore) Ordinary Shares of INR 2 (Indian Rupees Two only) each and 30,00,00,000 (Thirty Crore) Convertible Cumulative Preference Shares of INR 100/- (Indian Rupees One Hundred only) each."

- (d) In the event the authorised capital of the Company undergoes any change prior to the date on which this Scheme comes into effect, the clauses specified in this

Scheme to replace the existing Clause V of the MoA shall be modified accordingly to take into account the effect of any such change;

- (e) Pursuant to the Scheme, the Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital; and
- (f) The amendments pursuant to this Clause 8.1 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for reclassification of the share capital of the Company, and amendment of the MoA and shall not be required to pass separate resolutions under the applicable provisions of the Act.

8.2 It is hereby clarified that for the purposes of Clause 8.1:

- (a) the consent of the shareholders of the Company to the Scheme shall be deemed sufficient for the purposes of effecting the above amendment to the MoA and/ or reclassification of share capital of the Company, and no further resolution under Section 13, Section 61, Section 62 and Section 64 of the Act or any other applicable provisions of the Act, would be required to be separately passed;
- (b) pursuant to the effectiveness of the Scheme, the Company shall file the requisite forms with the Registrar of Companies for alteration of its MoA; and
- (c) the filing fees and stamp duty, if any already paid by the Company in relation to its authorised share capital pertaining to the 'A' Ordinary Shares shall be set off and be deemed to have been so paid by the Company on the reclassified authorised share capital of the Company pertaining to the Ordinary Shares. The Company shall not be required to pay any filing fees or stamp duty to the extent set off and accordingly, shall be required to pay only the balance amount on the stamp duty, if any, in relation to the increased authorised share capital after setting off the stamp duty already paid by the Company on the authorised share capital pertaining to the 'A' Ordinary Shares.

8.3 Issue and allotment of securities

- (a) Where any securities are to be allotted to the heirs, executors, administrators, legal representatives or other successors in title, as the case may be, of any security holders, the concerned heirs, executors, administrators, legal representatives or other successors in title shall be obliged to produce evidence of title, satisfactory to the Board of the Company as a condition to such allotment.
- (b) In the event of there being any pending share transfer, whether lodged or outstanding, of any member of the Company, the Board shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transferor or the transferee of equity shares (either 'A' Ordinary Shares or Ordinary Shares) in the Company after the Scheme becomes effective. The Board shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new shareholders in the Company, on account of difficulties faced in the transaction period.

9. AMENDMENTS TO THE AOA

9.1 As an integral part of the Scheme, and, upon the Scheme becoming effective, the following provisions of the AoA shall stand deleted without any further act, instrument or deed on the part of the Company:

(a) “7A Issue of ‘A’ Ordinary Shares

- (i) *The Board may issue Ordinary Shares with differential rights as to voting and/ or dividend (hereinafter referred to as ‘A’ Ordinary Shares) upto an amount not exceeding 25% of the total issued Ordinary Share Capital of the Company or such other limit as may be prescribed by applicable laws/regulations. Such issue of ‘A’ Ordinary Shares shall be in accordance with the Act, other applicable laws, Article 67A and other terms and conditions that may be specified at the time of issue.*
- (ii) *The ‘A’ Ordinary Shares so issued by the Company will stand to be in the same class as the Ordinary Shares. The ‘A’ Ordinary Shares issued by the Company will enjoy all rights and privileges that are attached to Ordinary Shares in law and by the provisions of these presents, except as to voting and/ or dividend, as provided in these Articles and as may be permitted under applicable law from time to time.*
- (iii) *The Board may issue ‘A’ Ordinary Shares of more than one series carrying differential rights as to voting and/ or dividend, as the case may be.*
- (iv) *The Board shall have the power and authority to remove any difficulties, and do such other acts and deeds, in relation to the applicability of this Article to the rights and obligations of the holders of the ‘A’ Ordinary Shares, including, but not limited to the issue and deciding the stock exchanges on which the ‘A’ Ordinary Shares will be listed.*
- (v) *The Board shall follow the general principles set out under Article 7A (ii) at all times whilst making any decision in regard to ‘A’ Ordinary Shares.”*

(b) “67A Provisions in case of ‘A’ Ordinary Shares

Notwithstanding anything contained in these presents, the rights, powers and preferences relating to ‘A’ Ordinary Shares and the qualifications, limitations and restrictions thereof are as follows:

(a) *Voting*

- (i) *The holders of ‘A’ Ordinary Shares shall be entitled to such rights of voting and/ or dividend and such other rights as per the terms of the issue of such shares, provided always that:*
 - *in the case where a resolution is put to vote on a poll, such voting entitlement (excluding fractions, if any) will be applicable to holders of ‘A’ Ordinary Shares.*
 - *in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of ‘A’ Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares in accordance with Article 111(1).*

- (ii) *The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted to a vote of shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such Shares including in relation to any scheme under Sections 391 to 394 of the Act.*

(b) *Dividend Entitlement*

The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.

- (c) (i) *Where the Company proposes to make a rights issue of Ordinary Shares or any other securities convertible into Ordinary Shares, the Company shall simultaneously make an offer to the holders of 'A' Ordinary Shares in the same proportion of 'A' Ordinary Shares to Ordinary Shares prior to the issue. The holders of 'A' Ordinary Shares shall receive further 'A' Ordinary Shares whereas holders of Ordinary Shares shall receive further Ordinary Shares.*
- (ii) *Where the Company proposes to make a bonus issue of Ordinary Shares, the holders of 'A' Ordinary Shares shall, subject to the terms of such issue, receive further 'A' Ordinary Shares whereas the holders of Ordinary Shares shall receive further Ordinary Shares to the end and intent that the proportion of Ordinary Shares to 'A' Ordinary Shares after such offer, shall, as far as possible remain unaffected.*

(d) *Conversion*

The 'A' Ordinary Shares issued in accordance with these presents will not be convertible into Ordinary Shares at any time.

(e) *Mergers, Amalgamations, etc.*

In the event of any scheme, arrangement or amalgamation in accordance with the Act, and subject to other approvals and other applicable laws and these presents for amalgamation of the Company with or into any other entity and which results in a share swap or exchange, the holders of the 'A' Ordinary Shares shall receive allotment as per the terms of the scheme and as far as possible, unless specified to the Company in such scheme, the said holders shall receive Ordinary Shares with differential rights to voting or dividend of such entity.

(f) *Substantial acquisition of shares*

- (i) *Where an offer is made to purchase the outstanding Ordinary Shares or voting rights or equity capital or share capital or voting capital of the Company in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and other applicable laws,*

the applicability of such regulation on 'A' Ordinary Shares will result in an offer also being made to purchase 'A' Ordinary Shares in the same proportion as the offer to purchase Ordinary Shares.

Illustration: In accordance with the said Regulations where an offer is made to purchase twenty (20) percent of the outstanding Ordinary Shares or voting rights or equity capital or share capital or voting capital of the Company, such offer shall be deemed to include an offer for twenty (20) percent of the outstanding Ordinary Shares and also an offer for twenty (20) percent of the outstanding 'A' Ordinary Shares.

- (ii) *The pricing guidelines and other provisions as specified in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 shall mutatis mutandis apply to an offer for 'A' Ordinary Shares and the percentage premium offered for the 'A' Ordinary Shares to its floor price shall be equal to the percentage premium offered for the Ordinary Shares to its floor price. All consideration to be received by holders of 'A' Ordinary Shares in accordance with any offer as stated in sub-clause (i) above shall be paid in the same form and at the same time as that received by holders of Ordinary Shares.*

Explanation: For the purposes of the said Regulations, the terms "shares", "voting rights", "equity capital", "share capital" or "voting capital" shall mean and include Ordinary Shares and 'A' Ordinary Shares as the case may be.

(g) *Delisting*

Where the promoter (as provided in the last quarterly filing with the stock exchanges prior to making the offer) or any other acquirer proposes at any time to voluntarily delist the Ordinary Shares of the Company in accordance with the SEBI (Delisting of Securities) Guidelines, 2003 from the stock exchanges on which such Ordinary Shares are listed, such promoter or acquirer shall also make a delisting offer for the 'A' Ordinary Shares and the percentage premium offered for the 'A' Ordinary Shares to its floor price shall be equal to the percentage premium offered for the Ordinary Shares to its floor price.

(h) *Buyback of 'A' Ordinary Shares by the Company*

Subject to Article 66, Article 66A and Article 68, the Company when exercising its power under these presents to buyback the Ordinary Shares of the Company, will offer to buyback 'A' Ordinary Shares in the same proportion and on equitable pricing terms as offered to the holders of Ordinary Shares, in accordance with applicable laws including the SEBI (Buy-Back of Securities) Regulations, 1998.

(i) *Modification of rights pertaining to 'A' Ordinary Shares*

- (i) *Any alteration proposed by the Company to this Article 67A which affects the rights pertaining to the 'A' Ordinary Shares is required to*

be approved by not less than three-fourths of the holders of the outstanding 'A' Ordinary Shares present and voting.

- (ii) *For the purposes of (i) above, the Company will call a separate meeting of holders of 'A' Ordinary Shares."*

9.2 As an integral part of the Scheme, and, upon Scheme becoming effective, Article 67B of the AoA shall stand replaced as set out below without any further act, instrument or deed on the part of the Company:

- (a) *"67B Issue of Convertible Cumulative Preference Shares*

The Convertible Cumulative Preference Shares for the time being in the capital of the Company may be issued either with the sanction of the Company in General Meeting or by the Board.

The rights, privileges and conditions attached to the Convertible Cumulative Preference Shares of Rs.100/- each shall be as follows:-

- (a) *The Convertible Cumulative Preference Shares shall confer on the holders thereof, the right to a fixed preferential dividend at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up and/ or credited as and from time to time paid up thereon.*
- (b) *The Convertible Cumulative Preference Shares shall rank for capital and dividend (including all dividends undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company but shall not confer any further or other right to participate either in profits or assets and that preferential rights shall automatically cease on conversion of these shares into Ordinary Shares.*
- (c) *The Convertible Cumulative Preference Shares shall be converted into Ordinary Shares as per the terms determined by the Board at the time of issue; as and when converted, such Ordinary Shares shall rank pari passu with the then existing Ordinary Shares of the Company in all respects as the case may be.*
- (d) *The holders of the Convertible Cumulative Preference Shares shall have the right to receive all notices of general meetings of the Company, but will not have the right to vote at any meetings of the Company, except to the extent and in the manner provided in the Act.*
- (e) *The Convertible Cumulative Preference Shares shall not confer any right on the holders thereof, to participate in any offer or invitation by way of rights or otherwise to subscribe for additional Ordinary Shares in the Company, nor shall the Convertible Cumulative Preference Shares confer on the holders thereof any right to participate in any issue of bonus shares or shares issued by way of capitalization of reserves (except that the conversion price would be appropriately adjusted in the event of bonus/rights issues).*
- (f) *The Board shall be authorised to fix the terms and conditions of the*

Convertible Cumulative Preference Shares including but not limited to the terms pertaining to dividend, conversion and/ or redemption, if any. The rights and terms attached to the Convertible Cumulative Preference Shares may be modified or dealt with by the Board in accordance with the provisions of the Articles of Association of the Company.”

9.3 It is hereby clarified that for the purposes of this Clause 9:

- (a) the consent of the shareholders of the Company to the Scheme shall be deemed sufficient for the purposes of effecting the above amendment and no further resolution under Section 14 of the Act or any other applicable provisions of the Act, would be required to be separately passed; and
- (b) pursuant to the effectiveness of the Scheme, the Company shall file the requisite forms with the Registrar of Companies for alteration of its AoA.

10. EMPLOYEES

The reduction and reorganization of share capital to the extent of the ‘A’ Ordinary Shares as set out in Part C of this Scheme shall not adversely affect the employees of the Company, as there is no transfer of employees contemplated under the Scheme. On the Scheme becoming effective, all the employees of the Company shall continue with their employment, without any break or interruption in their services, on the same terms and conditions on which they are engaged as on the Effective Date.

11. CREDITORS

The reduction of the Company’s share capital as set out in Part C of this Scheme will not alter or modify the rights of the creditors and hence will not have any material impact on the creditors. The creditors of the Company shall in no way be affected by the proposed reduction of capital, as there is no reduction in the amount payable to any of the creditors, there is no cash outflow from the Company and no compromise or arrangement is contemplated with the creditors. Thus, the proposed reduction of the Company’s share capital will not, in any way, adversely affect the operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

12. COMPLIANCE WITH TAX LAWS

The Scheme has been drawn up to comply with the provisions under the Tax Laws to the extent applicable as on the date of filing of the Scheme.

13. LEGAL PROCEEDINGS

Upon the Scheme becoming effective, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature by or against the Company pending and/ or arising on or before the Effective Date or which may be instituted any time thereafter shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in the Scheme but shall be continued and be enforced by or against the Company.

14. APPLICATIONS

The Company shall make application(s) under Section 230 – Section 232 and other

applicable provisions of the Act to the NCLT for sanctioning this Scheme. Further, the Company (through its Board) shall have the authority to undertake all acts and deeds necessary to give effect to this Scheme.

15. CHANGE IN CAPITAL STRUCTURE OF THE COMPANY

15.1 Without prejudice to the generality of the Scheme, during the period between the date of approval of the Scheme by the Board and up to and including the date of issuance of the consideration payable under Clause 6 pursuant to the Scheme, the Company shall not make any change in its capital structure, whether by way of increase (including by issue of equity shares (either 'A' Ordinary Shares or Ordinary Shares) on a rights basis, issue of bonus shares or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation of share capital, or in any other manner which may, in any way, affect the payment of the consideration as per Clause 6, except under any of the following circumstances:

- (a) by way of a resolution passed by the Board; or
- (b) on account of issuance of any Ordinary Shares pursuant to the exercise of the employee stock options and/ or the performance share units pursuant to the Employee Stock Option Scheme; or
- (c) as may be expressly permitted under this Scheme.

15.2 In the event of any such change in share capital of the Company before the payment of the consideration to the holders of the 'A' Ordinary Shares pursuant to Clause 6, the Capital Reduction Consideration shall be appropriately adjusted, if required, to take into account the effect of such issuance or corporate actions.

16. MODIFICATION OR AMENDMENTS TO THIS SCHEME

16.1 The Company (through its Board), may, in its full and absolute discretion, assent to any alteration or modification to this Scheme which the Board deems fit, including such conditions which the NCLT and/ or any other governmental authority may deem fit to approve or impose.

16.2 The Company (through its Board), may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under Applicable Law).

17. CONDITIONS PRECEDENT

17.1 The effectiveness of the Scheme is conditional upon and subject to:

- (a) receipt of the observation letter or the no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 11, Regulation 37, Regulation 59A, Regulation 94 and Regulation 94A of the SEBI LODR Regulations read with the SEBI Scheme Circular and SEBI Scheme Circular - Debt, and the terms of such observation letters being acceptable to the Board;
- (b) the Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Company, as required

under the Act and SEBI Scheme Circular and SEBI Scheme Circular - Debt, subject to any dispensation that may be granted by the NCLT;

- (c) the Scheme being approved by the public shareholders of the Company through e-voting as required under the SEBI Scheme Circular. The Scheme shall be acted upon only if votes cast by the public shareholders of the Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Company against it;
- (d) the Scheme being approved by the holders of NCDs through e-voting as required under the SEBI Scheme Circular - Debt (where applicable);
- (e) the Company having received such approvals and sanctions, including consent of any government authority as may be required by Applicable Law in respect of the Scheme and on terms and conditions acceptable to the Board;
- (f) the Scheme being sanctioned by the NCLT in terms of Section 230 – Section 232 and other relevant provisions of the Act on terms acceptable to the Company; and
- (g) the certified copy of the NCLT order approving the Scheme being filed with the Registrar of Companies by the Company.

17.2 Any of the conditions precedent set out in Clause 17.1 above may, subject to Applicable Law, be waived wholly or partly by the Board, at their sole discretion and without any further approvals from any Person or without any amendment to the Scheme.

17.3 It is hereby clarified that submission of the Scheme to the NCLT and to the governmental authorities for their respective approval is without prejudice to all rights, interests, titles or defences that the Company may have under or pursuant to all Applicable Laws.

17.4 On the approval of the Scheme by the shareholders of the Company such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or SEBI LODR Regulations or otherwise to the same extent applicable in relation to the proposal set out in this Scheme, related matters including those set out herein and the Scheme itself.

18. ADDITIONAL DISCLOSURES AS PER THE SEBI SCHEME CIRCULAR – DEBT

The additional disclosures that are required to be included in this Scheme in terms of the SEBI Scheme Circular - Debt in relation to the NCDs are set out in **Annexure A**.

19. EFFECT OF NON-RECEIPT OF APPROVALS AND WITHDRAWAL OF THIS SCHEME

19.1 The Company acting through its Board shall be at liberty to withdraw this Scheme with prior approval of the NCLT (if filed with the NCLT), in the following instances:

- (a) in case any condition or alteration imposed by any appropriate authority/ Person is unacceptable to any of them or makes the Scheme unviable to implement; or
- (b) they are of the view that coming into effect of this Scheme could have adverse implications on the Company; or
- (c) for any reason they may deem fit.

- 19.2** In the event of revocation / withdrawal under Clause 19.1 above, no rights or liabilities whatsoever shall accrue to or be incurred *inter se* the Company and its shareholders or creditors or employees or any other person.

20. SEVERABILITY

If any part and/ or provisions of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Company, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

21. ACCOUNTS

Upon this Scheme becoming effective, if required under Applicable Law, the accounts of the Company, as on the Appointed Date, shall be reconstructed in accordance with the terms of this Scheme.

22. REMOVAL OF DIFFICULTIES

The Company through its Board may give such directions and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any governmental authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Laws, and also do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

23. NO CAUSE OF ACTION

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Company or its directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

ANNEXURE A
Additional disclosures in terms of the SEBI Scheme Circular - Debt in relation to the NCDs

Details of the NCDs	E26-B	E26-C	E26-F	E28-A Tranche II	E28-A Tranche III	E-28B Tranche I	E-28B Tranche II	E30-A	E30-B
ISIN	INE155A08191	INE155A08209	INE155A08241	INE155A08373	INE155A08399	INE155A08407	INE155A08415	INE155A08423	INE155A08431
Face Value (INR)	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000
Principal (INR cr)	INR 300 cr	INR 200 cr	INR 400 cr	INR 200 cr	INR 100 cr	INR 250 cr	INR 250 cr	INR 500 cr	INR 500 cr
Coupon (%)	9.81%	9.77%	9.35%	9.31%	9.54%	8.50%	8.50%	6.60%	6.95%
Coupon payment frequency	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
Credit rating	AA	AA	AA	AA	AA	AA	AA	AA	AA
Tenure/Maturity	Aug 20th 2024	Sept 12th 2024	Nov 10th 2023	September 29th 2023	June 28th 2024	Dec 30th 2026	January 29th 2027	May 29th 2026	March 31st 2026
Redemption terms	Bullet payment at maturity. No option for early redemption. Only option is to give open offer to repurchase the NCDs								

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	@2% p.a is required to be paid to the delayed period	@2% p.a is required to be paid to the delayed period	@2% p.a is required to be paid to the delayed period	@2% p.a is required to be paid to the delayed period	@2% p.a is required to be paid to the delayed period	@2% p.a is required to be paid to the delayed period	@2% p.a is required to be paid to the delayed period	@2% p.a is required to be paid to the delayed period	@2% p.a is required to be paid to the delayed period
Exit offer for dissenting holders of NCDs	Not applicable								
Other embedded features (put option, call option, dates, notification times, etc)	Not applicable	Not applicable	Not applicable	Step up and step down in coupon by 25bps in case of change in ratings	Step up and step down in coupon by 25bps in case of change in ratings	Step up and step down in coupon by 25bps in case of change in ratings	Step up and step down in coupon by 25bps in case of change in ratings	Step up and step down in coupon by 25bps in case of change in ratings	Not applicable
Other terms of the instruments	All NCDs are unsecured. Company to appoint a debenture trustee for the benefit of the holders of NCDs. Company to maintain a Debenture Redemption Reserve account to the extent of 15% of the amount of NCDs maturing in the next financial year								

Latest audited financials along with notes to accounts and any audit qualifications	Please refer to the following URL on the website of the Company: [●]
Auditors' certificate certifying the payment/ repayment capability of the Company	Please refer to the following URL on the website of the Company: [●]
Fairness report	Please refer to the following URL on the website of the Company: [●]
Any other information/ details pertinent to the holders of NCDs	Not applicable



Dated: 24 July 2023

To

Board of Directors
Tata Motors Limited
24 Homi Mody Street,
Mumbai, 400001

Subject: Recommendation of fair capital reduction consideration for the proposed reduction through cancellation of the 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares

Dear Sir / Madam,

We refer to our engagement letter dated 21 July 2023 whereby Tata Motors Limited, (hereinafter referred to as 'you' or 'TML' or 'Company' or 'Client') has appointed PwC Business Consulting Services LLP (hereinafter referred to as 'PwC BCS'), to recommend the fair capital reduction consideration ('Capital Reduction Consideration') for the proposed reduction through cancellation of TML's 'A' Ordinary Shares and consequent issuance and allotment of TML's Ordinary Shares pursuant to a scheme of arrangement ('Scheme') between TML and its shareholders and creditors in accordance with Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the 'Act') including the rules and regulations made thereunder.

PwC BCS has been hereinafter referred to as the 'Valuer' or 'we' or 'us' in this Capital Reduction Consideration report ('Valuation Report' or 'Report').

Capital Reduction Consideration is defined as the ratio in which 'A' Ordinary Shareholders of TML would be entitled to receive Ordinary Shares in TML.

COMPANY BACKGROUND

Tata Motors Limited ('TML') having CIN L28920MH1945PLC004520, has its registered address at Bombay House, 24 Homi Mody Street, Mumbai, Maharashtra – 400001 and directly and indirectly through its subsidiaries and joint ventures, is engaged inter-alia in the business of design, development, manufacturing and sale of a wide range of commercial, passenger and electric vehicles and parts thereof within India and abroad. The Ordinary Shares, 'A' Ordinary Shares and NCDs of TML are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

The Company had issued the 'A' Ordinary Shares in 2008 as part of a rights issue with the objective of inter-alia funding certain overseas investments. The 'A' Ordinary Shares were issued at a discount to the Ordinary Shares. The rights attached to the 'A' Ordinary Shares are similar to the rights of Ordinary Shares in all respects except that they:

- (i) carry 1/10th the voting rights of Ordinary Shares (in case resolution is put to vote by poll or postal ballot); and
- (ii) are entitled to dividends at 5 (five) percentage points more than the aggregate rate of dividend declared on the Ordinary Shares for a financial year.

This was the first issuance of 'A' Ordinary Shares by the Company in the Indian capital markets and as on the date of issuance of the 'A' Ordinary Shares, there were limited instances of issuances of equity shares with differential rights as to voting and dividend by Indian listed companies of the Company's market capitalization and size. Subsequent regulatory changes restricted the issuance of shares with superior voting rights, resulting in a narrow market for similar instruments.

SCOPE AND PURPOSE OF THIS REPORT

We understand that, in context of the aforesaid background, to simplify and consolidate capital structure of the Company and preserve liquidity for the Company's growth, the management of Tata Motors Ltd



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(the 'Management') is evaluating a proposal to reorganize its capital structure by cancelling and extinguishing the 'A' Ordinary Shares and paying consideration to the holders of the 'A' Ordinary Shares in form of Ordinary Shares.

The proposed reduction through cancellation of the Company's 'A' Ordinary Shares and consequent issuance and allotment of the Company's Ordinary Shares is referred to as 'Transaction' going forward.

For the aforesaid purpose, the Board of Directors of TML have appointed PwC BCS to provide a Registered Valuer Report, recommending the Capital Reduction Consideration for the proposed Transaction with 24th July 2023 being the Valuation Date, for the consideration of the Board of Directors (including audit committee and committee of Independent Directors, as applicable) of the Company in accordance with Sections 230-232 of the Act and other applicable provisions of the Act, including the rules and regulations issued thereunder and the applicable regulations of Securities and Exchange Board of India ('SEBI') and the relevant stock exchanges, and other relevant laws, rules and regulations.

It is clarified that any reference to this Report in any document and/ or filing with any tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Transaction, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than the Board of Directors of TML (including audit committee and committee of Independent Directors, as applicable).

The Report will be used by TML only for the purpose, as indicated in this Report, for which we have been appointed. The results of our analysis and our Report cannot be used or relied by TML for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report.

The scope of our services is to conduct a relative (and not absolute) valuation of TML's Ordinary Shares and 'A' Ordinary Shares and to recommend the Capital Reduction Consideration for the proposed Transaction in accordance with generally accepted professional standards.

This Report is our deliverable for the above engagement. This Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and gathered from public domain:

- audited consolidated historical financial information of TML as on March 31, 2023 and for earlier years;
- provisional summary consolidated Balance Sheet for quarter ending June 30, 2023;
- market price of Ordinary Shares and 'A' Ordinary Shares;
- information on employee stock options as at 30 June 2023;
- draft scheme of arrangement ('Scheme'), as provided by the Management;
- the International Valuation standards (effective January 31, 2022) published by the International Valuation Standards Council; and
- Such other analysis, reviews and inquiries, as we consider necessary.

In addition, we have gathered information from public sources, proprietary databases, including analyst consensus numbers and data on similar instruments (with differential rights) in certain other markets, as readily available.

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Client has been provided with the opportunity to review the draft report (excluding the recommended Capital Reduction Consideration) as part of our standard practice to make sure that factual accuracies/ omissions are avoided in our final report.





PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- requested and received financial and qualitative information from the Management;
- used data available in public domain related to price of TML's Ordinary Shares and 'A' Ordinary Shares and prices of similar instruments in certain other markets;
- discussions (physical/ over call) with the management of TML to understand the business and historical financial performance of TML;
- arriving at relative values of TML's Ordinary Shares and 'A' Ordinary Shares under various valuation methodologies, in order to determine the Capital Reduction Consideration for the Transaction.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or PwC network firms.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Report and (iii) and are based on the provisional summary consolidated balance sheet of TML as at 30 June 2023 (as applicable) and other information provided by the Management. The Management has represented that the business activities of TML have been carried out in the normal and ordinary course between 30 June 2023 and the date hereof and that no material adverse change has occurred in their respective operations and financial position between 30 June 2023 and the Report date which will impact the Capital Reduction Consideration determined.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic, industry and other conditions in general and the information made available to us as of, date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

In terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by/ on behalf of the Client (or its representatives). In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by/ on behalf of the Client (or its representatives). Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements and projections. The assignment did not require us to conduct any financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of TML and its subsidiaries/ joint ventures/ associate companies. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy, or completeness, we have obtained information as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information.

Also, with respect to explanations and information sought from/ on behalf of the Client (or its representatives), we have been given to understand by the Client that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/ on behalf of the Client (or its representatives). The Management of the Client has indicated to us that they have understood that any material omissions, inaccuracies, or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by/ on behalf of the Client (or its representatives) and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose. Also, we assume no responsibility for technical information (if any) furnished by/ on behalf of the Client (or its representatives).





The Report assumes that the TML and its subsidiaries/ joint ventures/ associates comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that these companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of TML and its subsidiaries/ joint ventures/ associates. Our conclusion of value assumes that the assets and liabilities of TML and its subsidiaries/ joint ventures/ associates reflected in their respective latest balance sheets remain intact as of the Report date.

No investigation of the claims of TML and its subsidiaries/ joint ventures/ associates to title of assets has been made for the purpose of this Report and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

This Report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. We have not examined or advised on accounting, legal or tax matters involved in the Transactions.

We owe responsibility to only the Board of Directors (including audit committee and committee of Independent Directors) of the Client that has appointed us under the terms of our Engagement Letter and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Client. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Client, its directors, employees, or agents. In no circumstances shall the liability of a Valuer, its partners, its directors, or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, without our prior written consent other than in connection with the proposed Transaction in accordance with the applicable laws and regulations. In addition, this Report does not in any manner address the prices at which TML's equity shares will trade following announcement/ consummation of the proposed Transaction and we express no opinion or recommendation as to how the shareholders/ creditors of TML should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the proposed Transaction. Our Report and the opinion/ valuation analysis contained herein is not and nor should it be construed as advice relating to investing in, purchasing, selling, or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

We are independent of the Client and have no current or expected interest in the Client or its assets. The fee for the engagement is not contingent upon the results reported.

This Report is subject to the laws of India.

Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.



SHARE CAPITAL DETAILS OF THE COMPANY

Tata Motors Limited

The subscribed equity share capital of TML as at 30 June 2023 is INR 766.0 crores consisting of 3,321,490,582 Ordinary shares of face value of INR 2/- each and 508,502,896 'A' Ordinary Shares of face value of INR 2/- each.

The shareholding pattern of TML Ordinary Shares as on 30 June 2023:

Shareholding pattern as on 30 June 2023		
Shareholders	No of Shares	% Share Holding
Promoter and promoter group		
Tata Sons Private Limited	1,452,113,801	43.72%
Tata Industries Limited	72,203,630	2.17%
Tata Investment Corporation Limited	11,000,000	0.33%
Ewart Investments Limited	3,084,542	0.09%
Tata Chemicals Limited	1,966,294	0.06%
The Tata Power Company Limited	357,159	0.01%
Tata Steel Limited	100,000	0.00% ^A
Sinto Investment Company Limited	59,583	0.00% ^A
Sub-total Promoter & Promoter Group (A)	1,540,885,009	46.39%
Non-Promoter/ Public shareholders		
Public	1,780,605,573	53.61%
Sub-total Non-Promoter (B)	1,780,605,573	53.61%
Grand Total (A + B)	3,321,490,582	100.00%

^Aless than 0.005%

Source: www.nseindia.com (accessed on 24 July 2023)

The shareholding pattern of TML 'A' Ordinary Shares as on 30 June 2023:

Shareholding pattern as on 30 June 2023		
Shareholders	No of Shares	% Share Holding
Promoter and promoter group		
Tata Sons Private Limited	38,511,281	7.57%
Ewart Investments Limited	440,645	0.09%
The Tata Power Company Limited	51,022	0.01%
Sub-total Promoter & Promoter Group (A)	39,002,948	7.67%
Non-Promoter/ Public shareholders		
Public	469,499,948	92.33%
Sub-total Non-Promoter (B)	469,499,948	92.33%
Grand Total (A + B)	508,502,896	100.00%

Source: www.nseindia.com (accessed on 24 July 2023)

Our Report and recommendation of the Capital Reduction Consideration considers the above shareholding pattern of TML and expected dilution on account of ESOP's.

APPROACH & METHODOLOGY - BASIS OF TRANSACTION

The proposed Transaction under the provisions of Section 230 to 232 of the Act contemplates reduction through cancellation of the Company's 'A' Ordinary Shares and consequent issuance and allotment of the Company's Ordinary Shares.

Arriving at the Capital Reduction Consideration for the proposed Transaction, would require determining the relative valuation of TML's Ordinary Shares and 'A' Ordinary Shares, based on different valuation approaches explained herein below and various qualitative factors relevant to TML's Ordinary Shares and 'A' Ordinary Shares.





There are several commonly used and accepted valuation approaches for determining the value of shares of a company/ business, which have been considered in the present case, to the extent relevant and applicable:

1. Asset Approach - Net Asset Value (NAV) Method
2. Income Approach
 - Discounted Cash Flow (DCF) Method
3. Market Approach
 - Market Price Method
 - Comparable Companies' Multiples (CCM) Method
 - Comparable Companies' Transaction Multiples ('CTM') Method

Asset Approach - Net Asset Value Method

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in cases where the firm is to be liquidated i.e., it does not meet the 'going concern' criteria or in case where the assets base dominates earnings capability. A valuation of equity shares of an operating company would normally be proceeded with, on the assumption that the company/ business would continue as going concerns and an actual realization of the operating assets is not contemplated.

Income Approach (Discounted Cash Flows (DCF) Method)

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company/ business that are available to all providers of the companies' business' capital – both creditors and shareholders.

Appropriate discount rate to be applied to cash flows i.e., the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company/ business. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

Adjustments, as appropriate, are made for surplus assets, debt and debt like items and contingent liabilities (net of tax), considering Management's estimate of probability of materialisation.

Market Approach: Under this approach, value of a company is assessed basis its market price (i.e. if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e., similar) listed companies or transactions in similar companies. Following are the typical methods under Market Approach:

- **Market Price (MP) Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper indicator of the fair value of the share especially where the market values are fluctuating in a volatile capital market or when the shares are thinly traded. Further, in the instant case of reorganisation of share capital, where there is a question of evaluating different classes of shares of the same company, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.



- **Comparable Companies' Multiple (CCM) method**

Under this method, value of a business / company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. The market price, as a ratio of the comparable company's attribute such as sales, capital employed, earnings, etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of the subject asset. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- **Comparable Companies' Transaction Multiples (CTM) Method**

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company (i.e. TML and its subsidiaries/ joint ventures/ associate companies). In addition, this valuation will fluctuate with changes in prevailing market conditions and prospects, financial and otherwise, of TML and its subsidiaries/ joint ventures/ associate companies, and other factors which generally influence the valuation of the above companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Out of the above methods, we have used approaches / methods, as considered appropriate. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been tabled in the next section of this Report.

BASIS OF CAPITAL REDUCTION CONSIDERATION

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g., difference in rights attached to various class of shares, present and prospective competition, yield on comparable securities, regulatory environment and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single value for share/ company/ business. The Capital Reduction Consideration rendered in this Report only represent our recommendation(s) based upon information till the date of this Report, furnished by the Management (or its representatives) and other sources, others may place a different value. The final responsibility for the determination of the Capital Reduction Consideration at which the Transaction shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the Transaction and input of other advisors.

The rights attached to 'A' Ordinary Shares are similar to the rights of Ordinary Shares in all respects other than that the 'A' Ordinary Shares:

- carry 1/10th the voting rights of Ordinary Shares (in case resolution is put to vote by poll or postal ballot); and





- are entitled to dividends at 5 (five) percentage points more than the aggregate rate of dividend declared on the Ordinary Shares for a financial year.

'A' Ordinary Shares and Ordinary Shares have the same liquidation preference. Further, both Ordinary Shareholders and 'A' Ordinary Shares derive their value from the value of TML's business.

The Capital Reduction Consideration has been arrived at on the basis of a relative valuation (on a per share basis) of TML's Ordinary Shares and 'A' Ordinary Shares based on the various valuation methodologies explained herein earlier and other factors considered relevant, having regard to information base, key underlying assumptions, and limitations. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value for the Transaction. It is important to note that we are not attempting to arrive at the absolute equity values of TML's Ordinary Shares and 'A' Ordinary Shares but at their relative values to facilitate determination of the Capital Reduction Consideration for the Transaction. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

TML is expected to continue as a going concern and an actual realization of its operating assets is not contemplated. As discussed earlier, the Asset Approach is usually considered indicative of break-up value and is not considered much relevant in a going concern scenario. Accordingly, our analysis does not consider Asset Approach in the instant case.

We have adopted Discounted Cash Flow method under Income Approach considering consensus analyst forecasts as compiled by CapIQ, suitable extrapolations and other qualitative factors. Within the DCF method, equity value per share for TML has been computed as follows:

- Enterprise value of TML at consolidated level has been computed using DCF method;
- To arrive at the total value available to the equity shareholders for TML, value arrived as above is adjusted, as appropriate, for debt, cash and cash equivalents and surplus assets as appearing in the balance sheet, contingent liabilities and other matters;
- The equity value thus determined is then divided by fully diluted equity shares (considering estimated ESOP exercise, higher dividend rights of 'A' Ordinary Shares, as appropriate), to arrive at the value per equity share for each class of shares.

For our analysis under Market Approach, we have considered the Market Price method to arrive at the relative fair value of the shares of TML's Ordinary Shares and 'A' Ordinary Shares. For determining the market price, the volume weighted share price of TML's Ordinary Shares and 'A' Ordinary Shares over an appropriate period has been considered in this case. Given that both the Ordinary Shares and 'A' Ordinary Shares of TML are frequently traded and that market prices are usually accorded higher priority, we have not used the Comparable Companies' Multiple (CCM) method or Comparable Companies' Transaction Multiple (CTM) method.

For our final analysis and recommendation on Capital Reduction Consideration, we have used a combination of various approaches, with higher weight in favour of Market Approach and lower weight for the Income Approach.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Capital Reduction Consideration for the Transaction whose computation is as under:

Methodology	Value estimate per Ordinary Share (in INR)	Weights	Value estimate per 'A' Ordinary Share (in INR)	Weights
Asset Approach	139.3	NA	139.3	NA
Income Approach (DCF)*	653.0	33.3%	653.8	33.3%
Market Approach (Market Price)*	622.7	66.7%	341.8	66.7%
Weighted Average Price	632.8		445.8	
Capital Reduction Consideration (rounded-off)		0.70		

* Value estimate for 'A' Ordinary share considers differential dividend entitlement

* Higher of VWAP for 10 trading days or 90 trading days





In view of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Capital Reduction Consideration for the proposed proposed reduction through cancellation of the 'A' Ordinary Shares:

7 (Seven) fully paid up Ordinary Shares of face value of INR 2/- each for 10 (Ten) fully paid up 'A' Ordinary Shares of face value of INR 2/- each ('Capital Reduction Consideration')

Respectfully submitted,

PwC Business Consulting Services LLP
IBBI Registered Valuer No.: IBBI/RV-E/02/2022/158



Neeraj Garg
Partner
IBBI Membership No.: IBBI/RV/02/2021/14036

Date: 24 July 2023
Place: Mumbai

RVN – IOVRVF/PWC/2023-2024/2172

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July 24, 2023

The Board of Directors
Tata Motors Limited
Bombay House, 24, Homi Mody Street
Mumbai - 400001

Members of the Board:

You have requested our opinion as to the fairness, from a financial point of view, to the holders of 'A' Ordinary Shares (as defined in the 'Draft Scheme', as defined below) of Tata Motors Limited ("TML"), solely in their capacity as holders of 'A' Ordinary Shares and disregarding any interest any holder of 'A' Ordinary Shares may have in any other equity securities of TML, of the Capital Reduction Consideration (defined below) in connection with the proposed reorganisation of the share capital through reduction and cancellation of the 'A' Ordinary Shares (the "**Reduction**") pursuant to a scheme of arrangement proposed to be entered into between TML and its shareholders and creditors under sections 230 to 232 of the Companies Act, 2013, as amended, and related rules and regulations (the "**Scheme of Arrangement**").

This opinion is issued pursuant to the Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93, dated June 20, 2023, as amended, issued by the Securities and Exchange Board of India ("**SEBI Scheme Circular**") and the Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108, dated July 29, 2022, as amended, issued by the Securities and Exchange Board of India ("**SEBI Scheme Circular – Debt**") and is being delivered at TML's request in connection with its obligations under the SEBI Scheme Circular and SEBI Scheme Circular – Debt.

As more fully described in the Draft Scheme:

- (i) The share capital of the Company pertaining to the 'A' Ordinary Shares (including the subscribed, issued and paid up share capital pertaining to the 'A' Ordinary Shares) as on the Effective Date (as defined in the Draft Scheme) will be cancelled and extinguished on the Effective Date;
- (ii) TML will, as consideration for the Reduction, issue and allot to the holders of 'A' Ordinary Share(s) of TML as on the Record Date (as defined in the Draft Scheme) whose shares have been cancelled in accordance with para (i) above (such shareholders, the "**Relevant Shareholders**") 0.7 fully paid up Ordinary Share(s) (as defined in the Draft Scheme) of TML of face value of INR 2 each for every 1 fully paid up 'A' Ordinary Share(s) of TML of face value of INR 2 each held by the holders of 'A' Ordinary Share(s) of TML as on the Record Date (the "**Capital Reduction Consideration**"). For ease of reference, the Ordinary Shares issued as consideration for the Reduction are hereinafter referred to as the "**New Ordinary Shares**"; and
- (iii) The New Ordinary Shares will be issued and transferred *inter alia* in the manner set out below:
 - (a) Upon effectiveness of the Scheme of Arrangement, TML will issue and allot the New Ordinary

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Shares to an irrevocable determinate trust constituted under the Indian Trusts Act, 1882 by TML, having an independent trustee (the “**Trust**”), which will hold the New Ordinary Shares on behalf and for the benefit of each Relevant Shareholder;

- (b) The Trust will, on behalf of and for the benefit of the Relevant Shareholders, *inter alia* sell the requisite number of New Ordinary Shares to realize an amount of cash equal to the Total Adjustment Amount (as defined in the Draft Scheme) and, after undertaking the necessary actions set forth in the Draft Scheme, distribute to the Relevant Shareholders the remaining New Ordinary Shares and any excess cash realized by the Trust in respect of the New Ordinary Shares sold.

The Capital Reduction Consideration may be subject to adjustment by TML to the extent of the Adjustment Amount (as defined in the Draft Scheme) and the Total Adjustment Amount, as to which we express no opinion.

Such Capital Reduction Consideration has been recommended by PwC Business Consulting Services LLP (the “**Valuer**”) pursuant to their appointment by TML in their report dated July 24, 2023 (the “**Report**”).

In arriving at our opinion, we reviewed (i) the Report and (ii) the draft of the Scheme of Arrangement received by us on July 24, 2023 (the “**Draft Scheme**”). We have also held discussions with certain senior officers, directors and other representatives and advisors of TML on relevant matters in relation to the proposed Reduction. We also examined certain publicly available market-related information relating to TML. We reviewed the financial terms of the Reduction as set forth in the Draft Scheme in relation to, among other things: current and historical market prices and trading volumes of the Ordinary Shares and the ‘A’ Ordinary Shares of TML and the historical capitalization of TML, including dividends paid by TML in relation to Ordinary Shares and ‘A’ Ordinary Shares. We considered, to the extent publicly available, the financial terms of certain other transactions which we considered relevant in evaluating the Reduction and analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies with multiple classes of publicly traded equity securities in evaluating those of TML. In addition to the foregoing, we conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as we deemed appropriate in arriving at our opinion. The issuance of our opinion has been authorized by our fairness opinion committee.

In rendering our opinion, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data in relation to TML publicly available or provided to or otherwise reviewed by or discussed with us and upon the assurances of the management of TML that they are not aware of any relevant information that has been omitted or that remains undisclosed to us that would make the information or data examined by, provided to, reviewed by, or discussed with, us inaccurate or misleading in any respect or that would otherwise be relevant in arriving at this opinion. With respect to information and data relating to TML provided to or otherwise reviewed by or discussed with us, we have been advised by the management of TML that such information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of TML. Further, the management of TML has communicated to us that our reliance on such information and data is reasonable. We do not assume any responsibility or liability with respect to such information and data. Our opinion does not address, and we have not assessed, any existing or potential contingent liabilities and any ongoing or threatened



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litigation (including taxation proceedings, regulatory actions and any possible unasserted claims) to which TML or its affiliates is or may be a party to or is or may be subject to or which may have an impact, adverse or otherwise, on the business, operations or prospects of TML or its affiliates or any underlying assumptions, forecasts or views of the management of TML. We have relied upon and not independently verified or validated, nor do we express any opinion on, the market-related data provided to or obtained by us.

We have assumed, with your consent, that the Reduction will be consummated in accordance with its terms as set out in the Draft Scheme, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals (including in relation to the New Ordinary Shares to be allotted to the holders of the 'A' Ordinary Shares of TML and approvals of holders of all classes of securities or creditors of TML or its affiliates, as applicable), consents and releases for the Reduction, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on TML or the contemplated benefits of the Reduction. We have further assumed, with your consent, that such approvals, consents and releases will be duly obtained as required pursuant to applicable laws and contractual obligations, without any delays. Representatives of TML have advised us, and we further have assumed, that the final terms of the Reduction will not vary from those set forth in the Draft Scheme reviewed by us. Further, we have assumed, with your consent, that there will not be any adverse rulings or proceedings whatsoever (whether of any court, regulatory body or otherwise) arising out of or in relation to the Reduction. Furthermore, as you are aware, the credit, financial and stock markets are currently experiencing and may continue to experience volatility, and we express no view or opinion as to any potential effects of such volatility on the basis for our analysis or evaluation. We have also assumed, with your consent, that the Reduction will not result in any adverse effect on TML or its businesses, whether under tax or other laws or under the terms of any contract, indebtedness, license or approval.

We are not expressing any opinion as to what the value of the Ordinary Shares actually will be when issued pursuant to the Reduction. We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of TML nor have we made any physical inspection of the properties or assets of TML. We express no opinion as to fair value of assets and properties of TML under any laws, or otherwise, or the realizable value of the properties or assets of TML or its affiliates. Our opinion is not to be treated as a valuation of any securities of TML or its affiliates under any laws or otherwise.

Our opinion does not address, and we have not assessed, any legal, regulatory, taxation or accounting matters, including, without limitation, as to tax consequences resulting from the Reduction (including the Adjustment Amount, the Total Adjustment Amount and the structure of and actions to be taken by the Trust to realize such amounts). We have also assumed that all aspects of the Reduction and any other transaction contemplated in the Draft Scheme would be in compliance with applicable laws and regulations; and we have issued this opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance. Without prejudice to the generality of the foregoing, we express no opinion and have assumed that the Reduction will be in compliance with applicable laws, including the Companies Act, 2013, as amended, and the applicable rules and regulations issued by the Securities and Exchange Board of India, the U.S. Securities Act of 1933, as amended, the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, and the rules and regulations of the New York Stock Exchange. Our opinion is restricted to the fairness, from a financial point of view, of the Capital Reduction Consideration as recommended by the Valuer and as set forth in the Report, to the holders of 'A' Ordinary Shares of TML, and does not address any matters

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otherwise than as expressly stated herein.

We were not requested to, and we did not, participate in the negotiation or structuring of the Reduction, nor were we requested to, and we did not, solicit third-party indications of interest in any possible transaction involving all or a part of TML. We express no view as to, and our opinion does not address, the underlying business decision of TML to effect the Reduction, the relative merits of the Reduction as compared to any alternative business strategies that might exist for TML or the effect of any other transaction in which TML might engage. We also express no view as to, and our opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Reduction, or any class of such persons, relative to the Capital Reduction Consideration or otherwise. We express herein no view or opinion as to any terms or other aspects of the Reduction (other than the Capital Reduction Consideration set out herein). Our opinion is necessarily based upon information available to us, and financial, stock market and other conditions and circumstances existing, as of the date hereof.

Citigroup Global Markets India Private Limited has been engaged as a financial advisor by TML in connection with the proposed Reduction only for the purposes of our opinion and will receive a fee for our services in connection with the delivery of this opinion. In addition, TML has agreed to indemnify us and related parties against certain liabilities arising out of our engagement. Please note that Citigroup Global Markets India Private Limited is a financial services company engaged in the securities and financial advisory businesses. Our securities business is engaged in securities underwriting, trading and brokerage activities, as well as providing investment banking, financing and financial advisory services. We and our affiliates have provided in the past and currently provide financial advisory and/ or capital markets related services to TML and its affiliates in the ordinary course of business (including in relation to delisting of certain securities of TML listed outside India), and are acting as the book running lead manager in connection with the initial public offerings of the affiliates of TML, respectively, in each case unrelated to the proposed Reduction, for which services, we and our affiliates have received and expect to receive compensation. We have also had certain discussions with TML in the past in relation to its capital re-structuring for which no compensation has been paid, or is due, to us. In the future, Citi may continue to provide other financial advisory services and/or capital markets related services to TML and its affiliates for which we may receive compensation. In the ordinary course of our business, we and our affiliates may actively trade or hold the securities of TML for our own account or for the account of our customers and, accordingly, may at any time hold a long or short position in such securities. In addition, we and our affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with TML and its affiliates.

Our opinion expressed herein is provided for the information of the Board of Directors of TML in its evaluation of the proposed Reduction, and may not be used by or relied upon by any other person for any purpose. Our opinion is not intended to be and does not constitute a recommendation to any shareholder, creditor or other person as to how such shareholder, creditor or other person should vote or act on any matters relating to the proposed Reduction or any other matter. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall any public reference to us be made, for any purpose whatsoever except (i) with our prior written consent in each instance, which consent shall not be unreasonably withheld; (ii) as required to be disclosed by TML in relation to the Scheme of Arrangement (including *inter alia*, to the relevant stock exchanges,

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the Registrar of Companies and National Company Law Tribunal or other judicial, regulatory or government authorities, as may be required from time to time); and (iii) as required to be disclosed on the website of TML and the stock exchanges solely to the extent required in terms of applicable laws including the SEBI Scheme Circular and SEBI Scheme Circular - Debt and as a part of the explanatory statement to be circulated to the shareholders and/ or creditors of TML. We accept no responsibility to any person other than the Board of Directors of TML in relation to the contents of this opinion even if it is disclosed to such person with our consent or otherwise in accordance with the preceding sentence. It is understood that this opinion is given only as of the date hereof and we do not have any obligation to update, revise or reaffirm this opinion.

Based upon and subject to the foregoing, our experience as investment bankers, our work as described above and other factors we deemed relevant, we are of the opinion that, as of the date hereof, the Capital Reduction Consideration, as determined by the Valuer pursuant to their valuation exercise and as set forth in the Report, is fair, from a financial point of view, to the holders of 'A' Ordinary Shares of TML solely in their capacity as holders of 'A' Ordinary Shares and disregarding any interest any holder of 'A' Ordinary Shares may have in any other equity securities of TML.

Very truly yours,

Citigroup Global Markets India Private Limited

CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED



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Date: 24th July, 2023

**The Board of Directors,
Tata Motors Limited,
Bombay House, 24,
Homi Mody Street,
Mumbai – 400001,
India**

Dear Members of the Board:

I. Engagement Background

We, Axis Capital Limited ("Axis"), understand that the Board of Directors of Tata Motors Limited ("TML" or the "Company") are considering a Scheme of capital reduction by which, *inter alia*, TML will cancel and extinguish its 'A Ordinary Shares' with differential voting and dividend rights trading under the name 'Tata Motors Ltd – DVR', and as consideration for such capital reduction, TML will issue and allot ordinary equity shares ("Ordinary Shares") of TML to the holders of 'A' Ordinary Shares ("Proposed Transaction"). For ease of reference, the Ordinary Shares issued as consideration for the capital reduction pursuant to the Scheme is hereinafter referred to as the "New Ordinary Shares". The Proposed Transaction is to be carried out pursuant to the provisions of Section 230 – Section 232 and other applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, that are in force), as may be applicable and the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of law in the form of rules, regulations, circulars, guidelines or otherwise that may be issued by the SEBI from time to time.

The terms and conditions of the Proposed Transaction are more fully set out in the draft scheme of arrangement shared with us on 20th July, 2023 ("Scheme"), the final version of which will be placed before the board of directors of the Company for their approval and appropriate application for reduction of capital will be filed by the Company with the appropriate authorities.

We further understand that PwC Business Consulting Services LLP ("PwC" or the "Valuer"), an independent valuer, has been appointed by TML for carrying out an exercise for arriving at the Capital Reduction Consideration.

Based on our perusal of the valuation report dated 24th July, 2023 prepared by PwC ("Valuation Report"), we understand that it has been proposed that pursuant to the Scheme, for every 10 (*ten*) fully

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paid up 'A' Ordinary Shares of the face value of INR 2 each held by the holders of 'A' Ordinary Shares of TML, TML shall issue and allot 7 (seven) fully paid up New Ordinary Shares of the face value of INR 2 each of TML ("Capital Reduction Consideration").

In connection with the aforesaid, you have requested our opinion ("Opinion"), as of the date hereof, as to the fairness of the Capital Reduction Consideration for the 'A' Ordinary Shares of TML as recommended by the Valuer, from a financial point of view, for the holders of Ordinary Shares of TML. This opinion is issued pursuant to the Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93, dated June 20, 2023, as amended, issued by the Securities and Exchange Board of India ("SEBI Scheme Circular") and the Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108, dated July 29, 2022 ("SEBI Scheme Circular – Debt"), in each case as amended, issued by the Securities and Exchange Board of India and is being delivered at TML's request in connection with its obligations under the SEBI Scheme Circular and SEBI Scheme Circular – Debt.

Axis and TML shall hereinafter be individually referred to as "Party" and collectively referred to herein as "Parties".

II. Basis of Opinion

The rationale for the Proposed Transaction as shared with us by TML's management is based on the Company and its stakeholders, including the holders of Ordinary Shares and holders of 'A' Ordinary Shares, benefiting from the reorganization. The reorganization of share capital envisaged by the Scheme is expected to:

- simplify and consolidate the Company's capital structure and preserve liquidity for the Company's growth.
- be value accretive and beneficial for all shareholders of the Company, and allow them to continue to participate in the Company's performance.

Some key details related to the Company and purpose of the Proposed Transaction are as under –

TATA MOTORS LIMITED is a public limited company incorporated under the laws of India bearing corporate identification number L28920MH1945PLC004520 and having its registered office at Bombay House, 24, Homi Mody Street, Mumbai - 400001. Its Ordinary Shares, 'A' Ordinary Shares and non-convertible debentures are listed on the NSE and BSE Limited. The Company, directly and indirectly through its subsidiaries and joint ventures, is engaged inter alia in the business of design, development, manufacturing and sale of a wide range of commercial, passenger and electric vehicles and parts thereof within India and abroad.

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The Company issued the 'A' Ordinary Shares in 2008 as part of a rights issue with the objective of *inter alia* funding certain overseas investments. The 'A' Ordinary Shares were issued at a discount to the existing listed Ordinary Shares. The rights attached to the 'A' Ordinary Shares are similar to the rights attached to the Ordinary Shares in all respects except as to voting rights and dividend as detailed in the Scheme.

This was the first issuance of 'A' Ordinary Shares by the Company and as on the date of issuance of the 'A' Ordinary Shares, there were limited instances of issuances of equity shares with differential rights as to voting and dividend by Indian listed companies of the Company's market capitalization and size.

We understand from the Company that subsequent regulatory changes restricted the issuance of shares with superior rights as to voting or dividend, resulting in a narrow market for similar instruments.

In light of this background, the Company seeks to reorganize its share capital in accordance with Section 230 – Section 232 of the Companies Act, 2013 by cancelling and extinguishing 'A' Ordinary Shares and paying consideration to the holders of the 'A' Ordinary Shares in the form of New Ordinary Shares.

The key features of the Proposed Transaction provided to us through the Scheme are as under:

1. Upon the Scheme becoming effective, the subscribed, issued and paid-up share capital of the Company will be reduced to the extent of the 'A' Ordinary Shares of the Company as on the Effective Date (as defined in the Scheme), i.e., by cancelling and extinguishing all 'A' Ordinary Shares held by the relevant holders of 'A' Ordinary Shares as on the Record Date (as defined in the Scheme), for the Capital Reduction Consideration.
2. Upon the Scheme becoming effective, and without the requirement for any further application, act, deed, consent or other actions from the holders of 'A' Ordinary Shares (including surrendering of share certificates and/ or sending appropriate instructions to the depository participants), the 'A' Ordinary Shares shall stand cancelled, extinguished and rendered invalid in accordance with this Scheme.
3. The New Ordinary Shares will be issued and transferred *inter alia* in the manner set out below:
 - (a) Upon effectiveness of the Scheme, the Company will issue and allot the New Ordinary Shares to a trust constituted under the Indian Trusts Act, 1882 by the Company, having an independent trustee (the "Trust"), which will hold the New Ordinary Shares on behalf and for the benefit of each Relevant Shareholder (as defined in the Scheme);
 - (b) The Trust will on behalf and for the benefit of the Relevant Shareholders *inter alia* sell the requisite number of New Ordinary Shares to realize the Total Adjustment Amount (as

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defined in the Draft Scheme) and (after undertaking the actions required to the extent of recovery of any amounts required to be withheld or deducted by the Company on such Capital Reduction Consideration under Applicable Law including Tax Laws (each as defined in the Scheme)), distribute to the Relevant Shareholders the remaining New Ordinary Shares and any excess cash realized by the Trust in respect of the New Ordinary Shares sold.

We have relied upon the Scheme and facts and assumptions set forth in section III of this Opinion while determining the meaning of “fairness”, from a financial point of view, for the holders of Ordinary Shares of TML, for the purposes of this Opinion.

III. Limitation of Scope and Review

Our Opinion and analysis are limited to the extent of review of documents as provided to us by TML including the Valuation Report prepared by the Valuer and the Scheme.

In connection with this Opinion, we have:

- (i) reviewed the Scheme for the Proposed Transaction and the Valuation Report dated 24th July, 2023 prepared by the Valuer;
- (ii) reviewed certain publicly available historical and operational information available in the Company’s annual reports and website, and sought certain clarifications with respect to the same;
- (iii) held discussions with the Valuer, in relation to the approach taken to valuation and the details of the various methodologies utilized by them in preparing the Valuation Report and recommending the Capital Reduction Consideration;
- (iv) sought various clarifications from the senior management team of the Company;
- (v) reviewed certain publicly available information for various international companies that have issued shares with differential voting rights;
- (vi) performed such other financial analysis and considered such other information and factors as we deemed appropriate.

We have assumed and relied upon the accuracy and completeness of all information and documents provided to us, data publicly available or otherwise reviewed by or discussed with us. We have relied upon the Company’s assurances that it is not aware of any facts or circumstances that would make such information or data incomplete, inaccurate or misleading in any material respect.

All the factual information pertaining to the Proposed Transaction used by Axis for its analysis is solely based on the information provided by the Company or publicly available data. Axis does not assume any responsibility as to the authenticity or completeness of the aforementioned details.

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We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of TML and /or its subsidiaries/affiliates/investee companies. In particular, we do not express any opinion as to the value of any asset of TML, and / or its subsidiaries/affiliates/investee companies, whether at current time or in the future. No investigation of TML's claim to title of assets has been made for the purpose of the exercise and the claim to such rights has been assumed to be fully valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Further, we have not evaluated the solvency or fair value of TML and / or its subsidiaries/affiliates/investee companies under any law relating to bankruptcy, insolvency or similar matter.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where New Ordinary Shares are being issued as consideration to the holders of 'A' Ordinary Shares of TML, it is not the absolute per share value of either class of shares that is important for framing an opinion but the relative per Ordinary Share value of TML vis-à-vis per 'A' Ordinary Share value of TML.

We have assumed, with the Company's consent, that the Proposed Transaction will be in compliance with all the applicable laws and other requirements and will be implemented on the terms described in the Scheme, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Proposed Transaction, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Company and / or its relevant subsidiaries/ affiliates /investee companies and its respective shareholders, including the holders of Ordinary Shares and holders of 'A' Ordinary Shares of TML. We have assumed, at the directions of the Company, that the final transaction will not differ in any material respect from the one being contemplated in the Scheme. We understand from the Company's management that the Proposed Transaction will be given effect to in totality and not in parts.

We express no view or opinion as to any terms or other aspects of the Scheme (other than the fairness opinion on the Capital Reduction Consideration recommended by the Valuer, from a financial point of view, to the holders of Ordinary Shares) including, without limitation, the form or structure of the Proposed Transaction. We were not requested to, and we did not, participate in the deliberations for the Proposed Transaction. Our Opinion is limited to the fairness, from a financial point of view, on the Capital Reduction Consideration recommended by the Valuer to the holders of Ordinary Shares. However, the actual transaction value may be significantly different from the result of our analysis and would depend on a number of factors, inter-alia the review by the board of directors of the Company of various inputs from the management of the Company regarding the streamlining of the capital structure and to providing liquidity to the holders of 'A' Ordinary Shares of TML at a price that the Company's

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board deems appropriate. We express no opinion or view with respect to the financial implications of the Proposed Transaction for any stakeholders, including the holders of Ordinary Shares, the holders of 'A' Ordinary Shares and the creditors of the Company.

We express no view as to, and our Opinion does not address, the underlying business decision of the Company to effect the Proposed Transaction, the relative merits of the Proposed Transaction as compared to any other alternative business strategy, the effect of the Proposed Transaction on the Company or its affiliates, including, without limitation, possible implications on ownership structure and capital structure post completion of the Proposed Transaction. The Company remains solely responsible for the commercial assumptions on the basis of which it agrees to proceed with the Proposed Transaction. We have relied solely on representations, whether verbal or otherwise, made by the management of TML, for items and areas where the same have been made. Our Opinion is necessarily based only upon information as referred to in this letter.

We do not express any Opinion as to any tax or other consequences that might arise from the Proposed Transaction on TML and/or its subsidiaries/affiliates/investee companies, and its respective shareholders including the holders of Ordinary Shares and the holders of 'A' Ordinary Shares of TML, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Company has obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, Governmental investigation or other contingent liabilities to which the Company, and/or its subsidiaries/affiliates/investee companies, are/or may be a party.

Our Opinion is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us, as of the date hereof. We have not factored, in our analysis, the outcome of any contingent events envisioned in the Scheme, other than as represented to us by the Company. It should be understood that subsequent developments may affect this Opinion and we assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance, shareholders rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the Scheme other than the fairness of the Capital Reduction Consideration, recommended by the Valuer, to the holders of Ordinary Shares of TML, from a financial point of view.

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While we have provided our recommendation as to the fairness of the Capital Reduction Consideration for the holders of Ordinary Shares of TML proposed by the Valuer based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Capital Reduction Consideration. The final responsibility for the determination of the Capital Reduction Consideration at which the Proposed Transaction shall take place will be with the board of directors of the Company who should take into account other factors such as their own assessment of the Proposed Transaction.

We may have in the past provided, and may currently or in the future provide, investment banking services to the Company, and/or its subsidiaries or its respective affiliates/investee companies that are unrelated to the Proposed Transaction, for which services we have received or may receive customary fees. Our engagement as a fairness opinion provider is independent of our other business relationships, which we may have with the Company and/or its subsidiaries or its respective affiliates/investee companies. In addition, in the ordinary course of their respective businesses, affiliates of Axis Capital Limited may invest in securities of the Company and/or its subsidiaries/investee companies or group companies, for their own accounts and for the accounts of their customers subject to compliance with SEBI (Prohibition of Insider Trading) Regulations and, accordingly, may at any time hold a position in such securities. We will not be responsible to any other person/party for any decision.

Our engagement and the Opinion expressed herein are solely for the benefit of the board of directors of the Company (in its capacity as such) in connection with its consideration of the Proposed Transaction and for none other. Delivery of our Opinion does not create any fiduciary, equitable or contractual duties on Axis Capital Limited (including, without limitation, any duty of trust or confidence). It is hereby notified that any reproduction, copying or otherwise quoting of this document or any part thereof except for the purpose mentioned herein can only be done: (a) with our prior permission in writing, except in accordance with the applicable law and with respect to the information contained in this Opinion that is already available in public domain, (ii) as required to be disclosed by the Company in relation to the Scheme (including *inter alia*, to the relevant stock exchanges, Registrar of Companies and National Company Law Tribunal, other judicial, regulatory or government authorities, and shareholders and/ or creditors of the Company, as may be required from time to time), and (iii) as required to be disclosed on the website of the Company and the stock exchanges solely to the extent required in terms of applicable laws, including the SEBI Scheme Circular and SEBI Scheme Circular - Debt and as a part of the explanatory statement to be circulated to the shareholders and/ or creditors of the Company.

Neither Axis Capital Limited, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities

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expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

The Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our final Opinion.

The fee for our services is not contingent upon the results of the Proposed Transaction. This document is governed by and construed in accordance with the laws of India. For disputes, if any, regarding to this Opinion, the Parties agree to submit to the exclusive jurisdiction at the courts in Mumbai, India.

Our Opinion is not intended to and does not constitute a recommendation to any party as to how such party should vote or act in connection with the Proposed Transaction or any matter related thereto.

IV. Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, the Capital Reduction Consideration for the 'A' Ordinary Shares of TML, as proposed by the Valuer, is fair to the holders of Ordinary Shares of TML, from a financial point of view.

Very truly yours,

For Axis Capital Ltd.



Sumit Arora,
Executive Director, Axis Capital Limited



Ashish Nigam
Executive Director, Axis Capital Limited

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B S R & Co. LLP

Chartered Accountants

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Private and Confidential

The Board of Directors
Tata Motors Limited
Bombay House,
24 Hami Modi Street,
Fort, Mumbai - 400001

25 July 2023

Statutory Auditors' Certificate on the proposed accounting treatment specified in the Draft Scheme (as defined hereinafter) in respect of scheme of arrangement between Tata Motors Limited and its shareholders and creditors for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares, as consideration other than cash for such reduction ('New Ordinary Shares')

1. This certificate is issued in accordance with the terms of our engagement letter dated 5 July 2022 read with the addendum to the engagement letter dated 18 July 2023.
2. We, B S R & Co. LLP, Chartered Accountants (Firm's Registration Number - 101248W/W-100022), the statutory auditors of Tata Motors Limited ('the Company') have been requested by the management of the Company to issue a certificate in relation to the proposed accounting treatment in the books of the Company for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the New Ordinary Shares as specified in Paragraph 7 of Part D of the scheme of arrangement between the Company and its shareholders and creditors ('Draft Scheme') as reproduced in Annexure I to this certificate and digitally signed by us for the purpose of identification only.

We have also carried out the procedures for expressing an opinion as required by the Operational Circular No. SEBI/HO/DDHS/Div-1/P/CIR/2022/0000000103 dated July 29, 2022 of Securities and Exchange Board of India ('SEBI') on the Company's capability of payment of interest and repayment of the principal of the unsecured Non-Convertible Debentures ('NCDs') as stated by the Company in Annexure II to this certificate, duly authenticated by the Company and is digitally signed by us for the purpose of identification only.

BSR & Co., LLP

Statutory Auditors' Certificate on the proposed accounting treatment specified in the Draft Scheme (as defined hereinafter) in respect of scheme of arrangement between Tata Motors Limited ("the Company") and its shareholders and creditors for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares, as consideration other than cash for such reduction ("New Ordinary Shares") (Continued)

Management's Responsibility

3. The responsibility for the preparation of the Draft Scheme and its compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ("SEBI Listing Regulations") and circulars issued thereunder, and other relevant laws and regulations, including the applicable Accounting Standards, is that of the Board of Directors of the Company. Further, the responsibility for the preparation of Annexure II is that of the Board of Directors of the Company.

This responsibility for the preparation of the Draft Scheme and Annexure II includes the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and Annexure II, including the proposed accounting treatment in the Draft Scheme, applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The responsibility for giving effect to the accounting treatment in the books of the Company as specified in the Draft Scheme is that of the Board of Directors of the Company.

Auditor's Responsibility

4. Pursuant to the requirements of the Act and SEBI Listing Regulations and circulars issued thereunder, our responsibility is only to examine and provide a reasonable assurance on:
- whether the proposed accounting treatment in the books of the Company specified in the Paragraph 7 of Part D of the Draft Scheme complies with SEBI Listing Regulations and circulars issued thereunder and Indian Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013 ("the Act") read with paragraph 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles, as applicable ("the applicable Accounting Standards") and;
 - to comment on the Company's capability to pay interest and repay the principal of the NCDs as and when due.
5. The condensed standalone interim financial statements of the Company for the quarter ended 30 June 2023 have been audited by us, on which we issued an unmodified audit opinion dated 25 July 2023. Our audit of these condensed standalone interim financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



B S R & Co. LLP

Statutory Auditors' Certificate on the proposed accounting treatment specified in the Draft Scheme (as defined hereinafter) in respect of scheme of arrangement between Tata Motors Limited ("the Company") and its shareholders and creditors for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares, as consideration other than cash for such reduction ("New Ordinary Shares") (Continued)

Auditor's Responsibility (Continued)

We have not performed any audit procedures subsequent to the date of audit report i.e. 25 July 2023 on the condensed standalone interim financial statements of the Company for the quarter ended 30 June 2023 and we undertake no responsibility for any transactions or events occurring after the date of audit report. We state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that the Company will be able to pay its debts in full as they become due in the normal course of business.

Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

6. In relation to paragraph 4 above, we have performed the following procedures:
 - (a) Obtained the Draft Scheme from the management of the Company
 - (b) Reviewed the accounting treatment as contained in Annexure I to this Certificate
 - (c) Obtained the audited condensed standalone interim financial statements of the Company as at and for the quarter ended 30 June 2023
 - (d) Obtained necessary representations from the management
 - (e) Based on the procedures performed in (b) to (d) above, evaluated the appropriateness of the declaration made by the management in Annexure II
7. We conducted our examination in accordance with the Guidance Note on Reports or Certifications for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



B S R & Co. LLP

Statutory Auditors' Certificate on the proposed accounting treatment specified in the Draft Scheme (as defined hereinafter) in respect of scheme of arrangement between Tata Motors Limited ("the Company") and its shareholders and creditors for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares, as consideration other than cash for such reduction ("New Ordinary Shares") (Continued)

Opinion

9. Based on the examination as above and according to the information and explanations and representations given to us by the Company's management, we are of the opinion that the resultant accounting effects of the proposed accounting treatment in the books of the Company, contained in Paragraph 7 of Part D of the Draft Scheme, if approved by the National Company Law Tribunal, Mumbai Bench, will be in compliance with the SEBI Listing Regulations, and circulars issued thereunder and with the applicable Accounting Standards.
10. Having regard to the audited condensed standalone interim financial statements as at and for the quarter ended 30 June 2023 of the Company and considering that we have not reported on existence of any material uncertainty relating to the Company's going concern or solvency matters in the audit opinion on the aforementioned condensed standalone interim financial statements, in our opinion, the Company is capable of payment of interest and repayment of the principal of the NCDs as specified in Annexure II, as and when due.

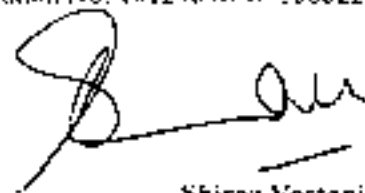
Restriction on Use

11. This certificate is addressed to and provided to the Board of Directors of the Company at the request of the Company solely for the purpose of onward submission to the National Company Law Tribunal, Mumbai Bench and other regulatory authorities including Securities and Exchange Board of India, Stock exchanges and Regional Director, Ministry of Corporate Affairs, in relation to the Draft Scheme, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP

Chartered Accountants

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



Shiraz Vastani

Partner

Place: Mumbai

Date: 25 July 2023

Membership No: 103334

ICAI UDIN: 23103334BGYMSC2291



ANNEXURE I

PARAGRAPH 7 OF PART D OF THE DRAFT SCHEME

ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

The Company shall abide by the Accounting Standards, for giving effect to the Scheme. Upon the Scheme becoming effective, the Company shall:

- account for the reduction of the "A" Ordinary Share capital in its books of account in accordance with the requirements of the Indian Accounting Standards by debiting the "A" Ordinary Share capital account by the face value of the shares, debiting the securities premium account for the difference between face value and fair value of the "A" Ordinary shares and crediting the share adjustment account.
- account for the issuance and allotment of the New Ordinary Shares in its books of account in accordance with the requirement of the Indian Accounting Standards by crediting the Ordinary share capital account by the face value of the New Ordinary shares, crediting the securities premium account for the difference between face value and fair value of the New Ordinary shares and debiting the share adjustment account.
- account for the expenses incurred on the reduction of the "A" Ordinary Share capital in the retained earnings and the expenses on the listing of the New Ordinary Shares on Stock Exchanges in the Statement of Profit and Loss, in accordance with the requirement of the Indian Accounting Standards.


Smita Goyal
Vice President - Controlling
For Tata Motors Limited




TATA MOTORS LIMITED

Bombay House, 24 Hornby Road, Mumbai-400 001

Tel: 91 22 6665 8282 Fax: 91 22 6665 7799

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Annexure B

On the basis of the business plan and cashflow projections of TataMotors Limited ('the Company') as at 30 June 2023, the management confirms that the the Company will have the capacity to meet the obligation related to the payment of interest.

Details of the Linked NCDs	E26-B	E26-C	E26-F	E26-A Tranche II	E26-A Tranche III	E-26B Tranche I	E-26B Tranche II	E36-A	E36-B
ISIN	INE155A08101	INE155A08204	INE155A08241	INE155A08373	INE155A08394	INE155A08407	INE155A08413	INE155A08423	INE155A08431
Face Value	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Coupon	8.81%	8.77%	9.35%	9.31%	9.54%	8.50%	8.50%	8.60%	8.95%
Payment Frequency	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
Credit Rating	AA	AA	AA	AA	AA	AA	AA	AA	AA
Tenure/Maturity	Aug 20th 2024	Sept 12th 2024	Nov 10th 2023	September 24th 2023	June 28th 2024	Dec 30th 2026	January 29th 2027	May 29th 2026	March 31st 2026
Carrying Value (in Crores)	36	29	40	20	10	23	23	30	30


Anil Goyal
Vice President - Controlling
For Tata Motors Limited



SIGNED FOR IDENTIFICATION
BY 
For BSR & Co. LLP

B S R & Co. LLP

Chartered Accountants

8th floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411 001, India
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Private and Confidential

The Board of Directors
Tata Motors Limited
Bombay House,
24 Homi Modi Street,
Fort, Mumbai - 400001

21 August 2023

Statutory Auditors' Certificate on the proposed accounting treatment specified in the Draft Scheme (as defined hereinafter) in respect of scheme of arrangement between Tata Motors Limited and its shareholders and creditors for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares, as consideration other than cash for such reduction ('New Ordinary Shares')

1. We, B S R & Co. LLP, Chartered Accountants (Firm's Registration Number – 101248W/W- 100022), the statutory auditors of Tata Motors Limited ('the Company') have been requested by the management of the Company to issue a certificate in relation to the proposed accounting treatment in the books of the Company for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the New Ordinary Shares as specified in Paragraph 7 of Part D of the scheme of arrangement between the Company and its shareholders and creditors ('Draft Scheme') as reproduced in Annexure I to this certificate and digitally signed by us for the purpose of identification only.
2. We, the statutory auditors of Tata Motors Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in paragraph 7 of Part D of the Draft Scheme of Arrangement between the Company and its Shareholders and Creditors in terms of the provisions of section(s) 230 to 232 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

B S R & Co. LLP**Statutory Auditors' Certificate on the proposed accounting treatment specified in the Draft Scheme (as defined hereinafter) in respect of scheme of arrangement between Tata Motors Limited ("the Company") and its shareholders and creditors for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares, as consideration other than cash for such reduction ("New Ordinary Shares") (Continued)**

3. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Company. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.
4. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in paragraph 7 of Part D of the aforesaid Draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 and/or the accounting treatment in respect of Indian Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013 ("the Act") read with paragraph 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles, as applicable ('the applicable Accounting Standards') which prevail over the accounting treatment for the same as prescribed under the aforesaid Accounting Standards (wherever applicable), except the following : (NIL).
5. This Certificate is issued at the request of Tata Motors Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). This Certificate should not be used for any other purpose without our prior written consent.
6. This certificate is a revision to our previously issued certificate dated 25 July 2023 in accordance with the terms of our engagement letter dated 5 July 2022 read with the addendum to the engagement letter dated 18 July 2023, in response to the query received by the Company from BSE on its application vide reference no. 182068.
7. We have also carried out the procedures for expressing an opinion as required by the Operational Circular No. SEBI/HO/DDHS_Div 1/P/CIR/2022/0000000103 dated July 29, 2022 of Securities and Exchange Board of India ('SEBI') on the Company's capability of payment of interest and repayment of the principal of the unsecured Non-Convertible Debentures ("NCDs") as stated by the Company in Annexure II to this certificate, duly authenticated by the Company and is digitally signed by us for the purpose of identification only.

B S R & Co. LLP

Statutory Auditors' Certificate on the proposed accounting treatment specified in the Draft Scheme (as defined hereinafter) in respect of scheme of arrangement between Tata Motors Limited ("the Company") and its shareholders and creditors for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares, as consideration other than cash for such reduction ("New Ordinary Shares") (Continued)

Management's Responsibility

8. The responsibility for the preparation of the Draft Scheme and its compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ("SEBI Listing Regulations") and circulars issued thereunder, and other relevant laws and regulations, including the applicable Accounting Standards, is that of the Board of Directors of the Company. Further, the responsibility for the preparation of Annexure II is that of the Board of Directors of the Company.

This responsibility for the preparation of the Draft Scheme and Annexure II includes the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and Annexure II, including the proposed accounting treatment in the Draft Scheme, applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The responsibility for giving effect to the accounting treatment in the books of the Company as specified in the Draft Scheme is that of the Board of Directors of the Company.

Auditor's Responsibility

9. Pursuant to the requirements of the Act and SEBI Listing Regulations and circulars issued thereunder, our responsibility is only to examine and provide a reasonable assurance on:
- whether the proposed accounting treatment in the books of the Company specified in the Paragraph 7 of Part D of the Draft Scheme complies with SEBI Listing Regulations and circulars issued thereunder and Indian Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013 ("the Act") read with paragraph 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles, as applicable ('the applicable Accounting Standards') and;
 - to comment on the Company's capability to pay interest and repay the principal of the NCDs as and when due.
10. The condensed standalone interim financial statements of the Company for the quarter ended 30 June 2023 have been audited by us, on which we issued an unmodified audit opinion dated 25 July 2023. Our audit of these condensed standalone interim financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

B S R & Co. LLP

Statutory Auditors' Certificate on the proposed accounting treatment specified in the Draft Scheme (as defined hereinafter) in respect of scheme of arrangement between Tata Motors Limited ("the Company") and its shareholders and creditors for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares, as consideration other than cash for such reduction ("New Ordinary Shares") (Continued)

Auditor's Responsibility (Continued)

We have not performed any audit procedures subsequent to the date of audit report i.e., 25 July 2023 on the condensed standalone interim financial statements of the Company for the quarter ended 30 June 2023 and we undertake no responsibility for any transactions or events occurring after the date of audit report. We state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that the Company will be able to pay its debts in full as they become due in the normal course of business.

Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

11. In relation to paragraph 9 above, we have performed the following procedures:

- (a) Obtained the Draft Scheme from the management of the Company
- (b) Reviewed the accounting treatment as contained in Annexure I to this Certificate
- (c) Obtained the audited condensed standalone interim financial statements of the Company as at and for the quarter ended 30 June 2023
- (d) Obtained necessary representations from the management
- (e) Based on the procedures performed in (b) to (d) above, evaluated the appropriateness of the declaration made by the management in Annexure II

12. We conducted our examination in accordance with the Guidance Note on Reports or Certifications for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

13. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

14. Having regard to the audited condensed standalone interim financial statements as at and for the quarter ended 30 June 2023 of the Company and considering that we have not reported on existence of any material uncertainty relating to the Company's going concern or solvency matters in the audit opinion on the aforementioned condensed standalone interim financial statements, in our opinion, the Company is capable of payment of interest and repayment of the principal of the NCDs as specified in Annexure II, as and when due.

B S R & Co. LLP

Statutory Auditors' Certificate on the proposed accounting treatment specified in the Draft Scheme (as defined hereinafter) in respect of scheme of arrangement between Tata Motors Limited ("the Company") and its shareholders and creditors for the reduction of 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares, as consideration other than cash for such reduction ("New Ordinary Shares") (Continued)

Restriction on Use

15. This certificate is addressed to and provided to the Board of Directors of the Company at the request of the Company solely for the purpose of onward submission to the National Company Law Tribunal, Mumbai Bench and other regulatory authorities including Securities and Exchange Board of India, Stock exchanges and Regional Director, Ministry of Corporate Affairs, in relation to the Draft Scheme, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**

Chartered Accountants

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

SHIRAZ
AZIZ
VASTANI

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by SHIRAZ AZIZ
VASTANI
Date: 2023.08.21
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Shiraz Vastani

Partner

Place: Mumbai

Date: 21 August 2023

Membership No: 103334

ICAI UDIN: 23103334BGYMSI3636

**ANNEXURE I****PARAGRAPH 7 OF PART D OF THE DRAFT SCHEME****ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY**

The Company shall abide by the Accounting Standards, for giving effect to the Scheme. Upon the Scheme becoming effective, the Company shall:

- (a) account for the reduction of the “A” Ordinary Share capital in its books of account in accordance with the requirements of the Indian Accounting Standards by debiting the “A” Ordinary Share capital account by the face value of the shares, debiting the securities premium account for the difference between face value and fair value of the “A” Ordinary shares and crediting the share adjustment account.
- (b) account for the issuance and allotment of the New Ordinary Shares in its books of account in accordance with the requirement of the Indian Accounting Standards by crediting the Ordinary share capital account by the face value of the New Ordinary shares, crediting the securities premium account for the difference between face value and fair value of the New Ordinary shares and debiting the share adjustment account.
- (c) account for the expenses incurred on the reduction of the “A” Ordinary Share capital in the retained earnings and the expenses on the listing of the New Ordinary Shares on Stock Exchanges in the Statement of Profit and Loss, in accordance with the requirement of the Indian Accounting Standards.

For **Tata Motors Limited**

SMRITI GOYAL
Digitally signed by SMRITI GOYAL
Date: 2023.08.21 19:43:44 +05'30'

Smriti Goyal
Vice President – Controlling

Place: Mumbai
Date: 21 August 2023

Signed for identification

For **B S R & Co. LLP**
Chartered Accountants

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

SHIRAZ AZIZ VASTANI
Digitally signed by SHIRAZ AZIZ VASTANI
Date: 2023.08.21 22:51:42 +05'30'

Shiraz Vastani
Partner
Membership No: 103334
ICAI UDIN: 23103334BGYMSI3636

Place: Mumbai
Date: 21 August 2023



Annexure II

On the basis of the business plan and cashflow projections of Tata Motors Limited ('the Company') as at 30 June 2023, the management confirms that the the Company will have the capacity to meet the obligation related to the payment of interest and repayment of principal of the below unsecured non convertible debentures issued by the Company and outstanding as on 30 June 2023.

Details of the Listed NCDs		E26-B	E26-C	E26-F	E28-A Tranche II	E28-A Tranche III	E-28B Tranche I	E-28B Tranche II	E30-A	E30-B
ISIN		INE155A08191	INE155A08209	INE155A08241	INE155A08373	INE155A08399	INE155A08407	INE155A08415	INE155A08423	INE155A08431
Face Value		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Coupon		9.81%	9.77%	9.35%	9.31%	9.54%	8.50%	8.50%	6.60%	6.95%
Payment Frequency		Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
Credit Rating		AA	AA	AA	AA	AA	AA	AA	AA	AA
Tenure/Maturity		Aug 20th 2024	Sept 12th 2024	Nov 10th 2023	September 29th 2023	June 28th 2024	Dec 30th 2026	January 29th 2027	May 29th 2026	March 31st 2026
Carrying Value (in Crores)		300	200	400	200	100	250	250	500	500

For **Tata Motors Limited**

Digitally signed
by **SMRITI GOYAL**
Date: 2023.08.21
19:44:10 +05'30'

Smriti Goyal
Vice President - Controlling

Place: Mumbai
Date: 21 August 2023

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

Digitally signed by
SHIRAZ AZIZ VASTANI
Date: 2023.08.21
22:52:16 +05'30'

Shiraz Vastani
Partner
Membership No: 103334
ICAI UDIN: 23103334BGYMST3636

Place: Mumbai
Date: 21 August 2023

TATA MOTORS LIMITED

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Private and Confidential

The Board of Directors
Tata Motors Limited
Bombay House,
24 Homi Modi Street,
Fort, Mumbai - 400001

Date: 25 July 2023

Independent Auditor's certificate on computation of minimum price in connection with the proposed issue of New Ordinary Shares (*defined below*) by Tata Motors Limited ('the Company') in accordance with Chapter V 'Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("the Master Circular")

1. This certificate is issued in accordance with the terms of our engagement letter dated 5 July 2022 read with the addendum to the engagement letter dated 18 July 2023.
2. We have been requested by the management of the Company to issue a certificate on the accompanying Statement of computation of minimum price (the 'Statement') for the proposed issue of 35,59,52,027 Ordinary Shares of the Company of face value of Rs. 2 each bearing ISIN INE155A01022 ('New Ordinary Shares') to the holders of 'A' Ordinary Shares of the Company ("Proposed Issue") under the scheme of arrangement between the Company and its shareholders and creditors ('Draft Scheme') in accordance with Chapter V "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended) ("SEBI ICDR Regulations"). The Statement has been prepared by management of the Company and has been initialed by us for identification purposes only.

Management's Responsibility

3. The preparation of the said Statement is the responsibility of the management, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

B S R & Co. LLP

Independent Auditors' certificate on pricing of proposed issue of Ordinary Shares, in accordance with Chapter V, 'Preferential issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with the Master Circular (Continued)

Management's Responsibility (Continued)

The management is also responsible for ensuring that the Company complies with the requirements of the SEBI ICDR Regulations, the Master Circular, equity listing agreement and for providing all relevant information to the Securities Exchange Board of India ('SEBI') and to National Stock Exchange of India Limited ('NSE') and Bombay Stock Exchange ('BSE') (collectively, the 'Stock Exchanges').

Auditors' Responsibility

4. Pursuant to the requirements of SEBI ICDR Regulations read with the Master Circular, it is our responsibility to provide a reasonable assurance and form of an opinion as to whether, the pricing of the proposed issue of New Ordinary Shares, is being made in accordance with the requirements of Chapter V of SEBI ICDR Regulations, as amended from time to time.
5. In addition to the foregoing, our scope of work did not include verification of compliance with other requirements of the SEBI ICDR Regulations, other circulars, notifications, etc. as issued by relevant regulatory authorities from time to time, and any other laws and regulations applicable to the Company. Further, our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or financial statements of the Company taken as a whole.
6. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria mentioned in paragraph 4 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the reporting criteria. Accordingly, we have performed the following procedures in relation to the Proposed Issue:
 - (i) Obtained and reviewed the Statement prepared by the management, based on the pricing formula for frequently traded shares prescribed under Regulation 164(1) of the SEBI ICDR Regulations.
 - (ii) Downloaded the data from official website of NSE and BSE where the Ordinary Shares of the Company are listed, to verify the stock exchange where the highest trading volume in respect of the Ordinary Shares of the Company has been recorded during the 90 trading days preceding the date of approval of the Draft Scheme by the board of directors of the Company, i.e. 25 July 2023 (the 'Relevant Date') (from 13 March 2023 to 24 July 2023);
 - (iii) Downloaded the data from official website of NSE to verify whether the shares of the Company are frequently traded as per Regulation 164(5) of the SEBI ICDR Regulations.

B S R & Co. LLP

Independent Auditors' certificate on pricing of proposed issue of Ordinary Shares, in accordance with Chapter V, 'Preferential issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with the Master Circular (Continued)

Auditors' Responsibility (Continued)

- (iv) Downloaded the data from official website of NSE and verified the computation of the volume weighted average price of Ordinary Shares of the Company for 90 trading days (from 13 March, 2023 to July 24, 2023) and 10 trading days (from 11 July 2023 to July 24, 2023) preceding the Relevant Date and re-computed the average the volume weighted average price in accordance with Regulation 164(1) of the SEBI ICDR Regulations for both 90 trading days and 10 trading days preceding the Relevant Date, respectively, and traced the same to the Statement.
- (v) Reviewed the computation of the minimum issue price determined by management based on higher of (a) or (b) below, provided as under:
 - (a) The volume weighted average price of the related Ordinary Shares quoted on the NSE during the 90 trading days preceding the Relevant Date or;
 - (b) The volume weighted average price of the related Ordinary Shares quoted on the NSE during the 10 trading days preceding the Relevant Date.
- (vi) Performed necessary inquiries with the management and obtained necessary representations from Management for the compliance with regulation 164(1) of the SEBI ICDR Regulations.
- 7. We conducted our examination in accordance with the Guidance Note on Reports or Certifications for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- 9. Based on our examination as above, and according to the information and explanations given to us, we are of the opinion that the minimum price of Rs. 622.74 in respect of the New Ordinary Shares of the Company, as computed in the Statement is in accordance with Regulation 164(1) of the SEBI ICDR Regulations.

B S R & Co. LLP

Independent Auditors' certificate on pricing of proposed issue of Ordinary Shares, in accordance with Chapter V, 'Preferential issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with the Master Circular (Continued)

Restriction on use

10. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of onward submission to SEBI for obtaining observation letter under Regulation 37 of the SEBI (LODR) Regulations, 2015 and is not to be used for any marketing, sale or any other offer of securities or referred to for any other purpose or distributed to any other person without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior written consent. We have no responsibility to update this certificate.

For **B S R & Co. LLP**

Chartered Accountants

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

SHIRAZ
AZIZ
VASTANI

Digitally signed
by SHIRAZ AZIZ
VASTANI

Date: 2023.07.25
11:37:38 +05'30'

Shiraz Vastani

Partner

Place: Mumbai
Date: 25 July 2023

Membership No: 103334
ICAI UDIN: 23103334BGYMRW4117



Statement of Computation of minimum issue price of Ordinary Shares of Tata Motors Limited ('the Company') prescribed under Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

Relevant Date	25 July 2023	[Date of Board Meeting in which the Draft Scheme shall be approved ('Relevant Date')]
NSE Traded Volume (shares in crores)	5.05	[Highest trading volume during the preceding 90 trading days preceding the Relevant Date]
BSE Traded volume (shares in crores)	0.26	[Highest trading volume during the preceding 90 trading days preceding the Relevant Date]
Relevant Exchange	NSE	As per Explanation to Regulation 164 of the SEBI ICDR Regulations
Traded turnover of Relevant Exchange (shares in crores)	316.48	[Traded turnover during the 240 trading days preceding the Relevant Date]
No of Ordinary shares outstanding (shares in crores)	332.15	[As at 30 June 2023]
Are the shares frequently traded in accordance with Regulation 164(5) of the SEBI ICDR Regulations?	Frequently traded	[If the traded turnover on the Relevant Exchange in the 240 trading days preceding the Relevant Date is >10% of total number of outstanding shares, the shares are said to be frequently traded as per Regulation 164(5) of the SEBI ICDR Regulations]

A. 90 trading days volume weighted average price ('VWAP') of Ordinary shares of the Company quoted on NSE preceding the Relevant Date

Day	Trade Date	Open	High	Low	Close	Traded Volume (in crores)	VWAP	Turnover (Amount in Rs. crores)
1	24-Jul-23	627.95	634.45	626.25	629.25	1.22	630.31	772.00
2	21-Jul-23	621.00	631.00	617.70	625.75	1.29	626.12	808.61
3	20-Jul-23	622.65	623.60	616.20	621.65	0.78	620.11	485.85
4	19-Jul-23	614.00	625.30	610.15	620.60	1.11	618.79	688.61
5	18-Jul-23	620.40	620.85	607.00	612.10	1.04	612.34	634.35
6	17-Jul-23	626.90	627.00	617.15	618.50	0.76	620.26	470.19
7	14-Jul-23	623.00	626.00	619.50	624.90	0.70	622.85	436.63
8	13-Jul-23	625.00	626.50	615.50	620.65	0.97	622.04	602.74
9	12-Jul-23	629.95	630.80	619.35	621.45	1.08	624.84	673.92
10	11-Jul-23	624.95	630.45	622.15	628.50	1.21	625.88	754.26
11	10-Jul-23	624.00	634.80	617.55	618.65	2.38	625.48	1488.80
12	07-Jul-23	600.00	624.80	592.20	618.20	2.11	607.47	1279.74
13	06-Jul-23	590.80	604.95	588.55	600.80	1.44	597.40	857.67
14	05-Jul-23	592.00	593.00	584.95	588.25	0.87	588.78	513.18
15	04-Jul-23	594.40	596.40	589.50	591.45	0.69	592.93	410.18

TATA MOTORS LIMITED

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Day	Trade Date	Open	High	Low	Close	Traded Volume (in crores)	VWAP	Turnover (Amount in Rs. crores)
16	03-Jul-23	600.00	602.30	590.00	590.80	1.11	594.87	662.15
17	30-Jun-23	588.35	599.00	588.00	595.55	1.25	594.94	742.97
18	28-Jun-23	579.00	590.00	575.50	586.65	1.67	584.81	977.86
19	27-Jun-23	570.00	576.90	568.45	573.10	0.94	573.44	539.29
20	26-Jun-23	560.00	569.00	557.80	567.85	0.70	563.79	393.90
21	23-Jun-23	570.00	571.15	557.70	559.65	0.94	561.07	525.31
22	22-Jun-23	584.00	584.70	568.20	569.35	1.12	575.59	646.34
23	21-Jun-23	584.95	585.90	574.50	581.40	0.91	580.49	530.94
24	20-Jun-23	566.05	583.95	562.50	583.25	1.81	576.62	1042.23
25	19-Jun-23	570.65	573.20	564.20	566.05	0.63	568.50	357.04
26	16-Jun-23	569.65	572.20	566.05	569.80	0.87	569.10	497.18
27	15-Jun-23	571.80	575.00	567.75	568.45	1.25	570.84	712.17
28	14-Jun-23	566.00	571.20	564.00	570.30	1.27	567.76	721.81
29	13-Jun-23	567.70	571.05	560.75	562.20	1.28	564.83	725.57
30	12-Jun-23	567.00	568.90	560.65	564.15	0.76	564.20	428.77
31	09-Jun-23	564.40	566.45	559.30	562.30	0.94	562.97	527.03
32	08-Jun-23	570.00	576.55	557.00	559.70	2.15	565.72	1217.84
33	07-Jun-23	558.80	575.00	552.15	567.95	2.09	565.55	1179.46
34	06-Jun-23	549.45	557.00	545.35	555.75	1.54	552.52	850.62
35	05-Jun-23	539.00	548.80	537.90	546.25	1.50	544.66	817.44
36	02-Jun-23	537.00	541.25	532.75	535.90	1.23	536.06	659.07
37	01-Jun-23	527.50	536.25	522.85	535.20	1.25	530.62	663.88
38	31-May-23	519.95	527.50	516.40	526.30	1.23	525.17	647.39
39	30-May-23	521.45	523.50	518.00	518.80	0.51	520.08	267.04
40	29-May-23	525.00	525.10	519.70	521.45	0.66	522.06	344.38
41	26-May-23	514.90	519.75	512.20	518.45	0.84	516.76	432.04
42	25-May-23	518.00	518.00	509.10	514.85	1.15	512.49	591.61
43	24-May-23	527.15	529.65	519.15	520.20	0.76	523.70	400.54
44	23-May-23	522.50	531.00	521.15	528.50	1.23	527.44	646.48
45	22-May-23	524.95	527.00	519.35	522.50	1.00	522.43	521.29
46	19-May-23	509.80	526.40	504.75	524.95	1.93	517.71	1001.44
47	18-May-23	518.80	520.90	507.10	508.45	1.23	512.17	629.63
48	17-May-23	522.50	523.95	512.50	515.50	1.37	518.54	709.62
49	16-May-23	533.95	535.95	518.85	521.15	1.65	529.80	874.96
50	15-May-23	523.85	537.15	521.50	530.85	3.83	531.67	2034.72
51	12-May-23	513.90	520.50	510.30	515.95	1.98	515.57	1019.11
52	11-May-23	512.00	514.15	505.50	511.60	1.15	509.78	583.91
53	10-May-23	508.00	512.90	504.35	509.50	1.25	507.76	633.76

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Day	Trade Date	Open	High	Low	Close	Traded Volume (in crores)	VWAP	Turnover (Amount in Rs. crores)
54	09-May-23	502.00	512.80	501.55	503.65	1.98	507.14	1005.10
55	08-May-23	480.00	502.30	478.10	500.50	2.35	495.55	1165.29
56	05-May-23	481.65	484.70	476.15	477.10	0.48	480.72	232.22
57	04-May-23	483.60	486.40	478.75	480.80	0.57	482.26	272.48
58	03-May-23	480.25	485.10	477.75	483.70	0.85	482.03	411.14
59	02-May-23	482.50	484.00	474.55	480.25	1.15	479.39	553.34
60	28-Apr-23	481.40	488.00	478.35	484.95	0.99	484.20	481.67
61	27-Apr-23	478.50	482.00	476.50	481.60	0.71	480.37	340.38
62	26-Apr-23	473.00	479.50	472.60	478.20	0.78	477.25	371.85
63	25-Apr-23	475.20	476.40	471.90	473.55	0.69	474.31	326.72
64	24-Apr-23	471.20	476.00	468.30	475.20	0.80	472.67	379.11
65	21-Apr-23	476.70	476.70	467.20	471.20	0.85	470.72	399.08
66	20-Apr-23	473.70	479.70	469.40	476.80	1.43	473.98	676.09
67	19-Apr-23	473.00	475.50	467.85	469.40	0.74	471.98	347.78
68	18-Apr-23	475.00	483.35	468.10	473.00	1.61	475.72	767.82
69	17-Apr-23	471.00	473.00	465.80	472.15	1.07	470.18	503.57
70	13-Apr-23	464.95	472.00	463.25	469.50	1.27	468.31	596.33
71	12-Apr-23	459.35	468.60	458.20	465.50	1.36	464.15	629.03
72	11-Apr-23	463.75	463.75	455.80	458.70	1.45	459.17	665.57
73	10-Apr-23	452.05	473.30	452.00	461.30	5.05	465.71	2350.10
74	06-Apr-23	426.50	439.30	423.75	437.65	1.09	433.76	473.12
75	05-Apr-23	424.25	428.75	423.15	426.55	0.88	426.05	375.84
76	03-Apr-23	423.00	424.95	419.50	424.25	0.69	422.32	293.44
77	31-Mar-23	411.35	421.75	411.00	420.80	1.10	417.42	460.75
78	29-Mar-23	401.60	410.60	401.60	409.20	1.05	406.81	426.28
79	28-Mar-23	414.15	414.50	400.45	401.60	0.96	405.25	387.16
80	27-Mar-23	416.00	418.50	410.25	412.05	0.74	413.40	307.32
81	24-Mar-23	419.00	420.55	414.80	416.50	0.69	417.52	287.17
82	23-Mar-23	416.00	422.50	416.00	419.15	0.98	420.00	412.33
83	22-Mar-23	416.00	418.40	413.75	416.10	0.57	416.03	238.30
84	21-Mar-23	412.85	413.90	407.70	412.55	0.74	411.33	304.05
85	20-Mar-23	415.60	416.95	405.50	410.75	1.01	409.30	412.37
86	17-Mar-23	419.00	423.45	414.55	419.00	0.87	418.77	362.60
87	16-Mar-23	413.30	418.50	405.00	415.70	1.19	412.66	489.20
88	15-Mar-23	422.00	425.00	410.10	411.35	0.77	416.48	319.90
89	14-Mar-23	422.85	424.20	413.40	416.65	0.92	418.30	384.38
90	13-Mar-23	436.10	437.00	419.10	422.40	0.88	426.90	374.82

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B. 10 trading days volume weighted average price ('VWAP') of Ordinary shares of the Company quoted on NSE preceding the Relevant Date

Day	Trade Date	Open	High	Low	Close	Traded Volume (in crores)	VWAP	Turnover (Amount in Rs. crores)
1	24-Jul-23	627.95	634.45	626.25	629.25	1.22	630.31	772.00
2	21-Jul-23	621.00	631.00	617.70	625.75	1.29	626.12	808.61
3	20-Jul-23	622.65	623.60	616.20	621.65	0.78	620.11	485.85
4	19-Jul-23	614.00	625.30	610.15	620.60	1.11	618.79	688.61
5	18-Jul-23	620.40	620.85	607.00	612.10	1.04	612.34	634.35
6	17-Jul-23	626.90	627.00	617.15	618.50	0.76	620.26	470.19
7	14-Jul-23	623.00	626.00	619.50	624.90	0.70	622.85	436.63
8	13-Jul-23	625.00	626.50	615.50	620.65	0.97	622.04	602.74
9	12-Jul-23	629.95	630.80	619.35	621.45	1.08	624.84	673.92
10	11-Jul-23	624.95	630.45	622.15	628.50	1.21	625.88	754.26

	Calculation of minimum issue price under Chapter V of SEBI (Issue of Capital and Disclosure requirements) Regulations, 2018	Rs. /Share
A.	90 trading days volume weighted average price of Ordinary shares of the Company quoted on NSE preceding the Relevant Date	522.71
B.	10 trading days volume weighted average prices of Ordinary shares of the Company quoted on NSE preceding the Relevant Date	622.74
	Minimum issue price for Ordinary shares of the Company (Higher of A or B)	622.74

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Date: 2023.07.25
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Smriti Goyal
Vice President - Group Controlling

For **Tata Motors Limited**

SHIRAZ
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by SHIRAZ AZIZ
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Signed for Identification

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



**REPORT ADOPTED BY THE AUDIT COMMITTEE OF TATA MOTORS LIMITED ("COMPANY")
RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND ITS
SHAREHOLDERS AND CREDITORS, AT ITS MEETING HELD ON JULY 24, 2023**

1. Background

- 1.1. The Company is a public limited company incorporated under the laws of India bearing corporate identification number L28920MH1945PLC004520 and having its Registered Office at Bombay House, 24 Homi Mody Street, Mumbai- 400001. The Ordinary Shares (*as defined in the Scheme*), 'A' Ordinary Shares (*as defined in the Scheme*) and the Non-Convertible Debentures of the Company are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE" and collectively with the NSE, the "Stock Exchanges").
- 1.2. A meeting of the Audit Committee of the Company was held on July 24, 2023, *inter alia*, to consider and recommend to the Board of Directors, the reorganisation of the share capital of the Company by way of reduction through cancellation of the 'A' Ordinary Shares of the Company and the consequent issuance and allotment of the Ordinary Shares as consideration other than cash through a scheme of arrangement to be entered into between the Company and its shareholders and creditors pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the rules framed thereunder ("Act" and such scheme, the "Scheme").
- 1.3. In terms of the Circular bearing no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 '*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957*' dated June 20, 2023, and Circular bearing no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 '*Master Circular for listing obligations and disclosure requirements for non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper*' dated July 29, 2022, or any other circulars issued by the Securities and Exchange Board of India ("SEBI") prescribing the compliance requirements for schemes of arrangement involving listed companies in each case, as amended from time to time, (collectively, the "SEBI Scheme Circulars"), a report from the Audit Committee recommending the draft Scheme is required, taking into consideration, *inter alia*, (a) the Valuation Report (*as defined hereinafter*), and (b) commenting on the need for the Scheme, rationale of the Scheme, synergies of business of the entities involved in the Scheme, impact of the Scheme on the shareholders and cost benefit analysis of the Scheme.
- 1.4. This report of the Audit Committee is made in compliance with the requirements of the SEBI Scheme Circulars issued by the SEBI pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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2. Salient features of the Scheme

2.1. The salient features of the proposed Scheme are as under:

- (a) reduction through cancellation of the 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares (*the Ordinary Shares issued by the Company as the consideration pursuant to the Scheme is hereinafter referred to as 'New Ordinary Shares' for ease of reference, as more particularly defined below*), as consideration other than cash for such reduction;
- (b) creation of a Trust which will receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders as contemplated under the Scheme and the mechanism to discharge obligations and completion in terms of the Scheme;
- (c) various other matters incidental to, consequential to and/ or otherwise connected with the above, under Section 230 - 232 and other applicable provisions of the Act, and the SEBI Scheme Circulars.

2.2. The consideration for reduction of the 'A' Ordinary Shares under the Scheme, is payable by way of consideration other than cash. Upon effectiveness of the Scheme and in accordance with the provisions of Scheme, the Company shall issue New Ordinary Shares to the holders of the 'A' Ordinary Shares as consideration for the reduction and cancellation of the 'A' Ordinary Shares. The issuance of consideration in the form of New Ordinary Shares rather than cash will have various benefits, including: (a) preserving liquidity for the Company's growth; (b) allowing the holders of the 'A' Ordinary Shares to continue to participate in the Company's performance; and (c) the other benefits as generally set out in this report.

2.3. For the purposes of, *inter alia*, transfer of the Capital Reduction Consideration (*as defined below*) by the Company to the Relevant Shareholders (*as defined below*), the Company shall, prior to the Effective Date have settled the Trust (*as defined in the Scheme*). The Trust will receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders as contemplated under paragraph 2.5 below, and will thereafter, post-sale of the requisite number of New Ordinary Shares to discharge obligations in relation to Total Adjustment Amounts (*as defined below*) and completion of the other actions more specifically enumerated in the Scheme, *inter alia*, distribute the remaining New Ordinary Shares to the Relevant Shareholders in terms of the Scheme.

2.4. In this regard, following the effectiveness of the Scheme, the Company shall, issue New Ordinary Shares on behalf and for the benefit of each holder of the 'A' Ordinary Shares whose shares have been cancelled in accordance with the Scheme and whose names appear in the register of members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in



title as on the Record Date ("Relevant Shareholders"), after: (a) receipt of any documents required from the holders of 'A' Ordinary Shares pursuant to the Scheme; and (b) the actions required from the Trust pursuant to the Scheme.

- 2.5. The consideration specified under the Scheme, for every 10 cancelled and extinguished fully paid-up 'A' Ordinary Shares of face value of INR 2 (Indian Rupees Two only) each shall be:

"7 fully paid-up Ordinary Share(s) of face value of INR 2 (Indian Rupees Two only) each."
 ("Capital Reduction Consideration")

Immediately post issuance and allotment, the Company shall take necessary steps for obtaining the listing and trading approvals for the issued shares in accordance with the Scheme.

- 2.6. The Ordinary Shares issued by the Company as the consideration pursuant to the Scheme are referred to as the **"New Ordinary Shares"**. The New Ordinary Shares shall be issued/ transferred to the Relevant Shareholders pursuant to the Scheme in the manner set out below:

- (a) Upon effectiveness of the Scheme, the Company shall issue and allot the New Ordinary Shares to the Trust, which shall hold the New Ordinary Shares on behalf and for the benefit of each Relevant Shareholder.
- (b) The Company shall notify the Trust of:
 - (i) the details of the demat account, bank account and other details of each Relevant Shareholder, as available in the records of the Company;
 - (ii) the number of New Ordinary Shares issued in respect of each Relevant Shareholder;
 - (iii) the amount to be withheld from the consideration attributable to each Relevant Shareholder under Applicable Law (including Tax Laws) ("**Adjustment Amount**").

- 2.7. the Trust shall, upon allotment of the New Ordinary Shares, sell such number of New Ordinary Shares on the Stock Exchanges, as may be required to: (i) realise the aggregate Adjustment Amount notified by the Company pursuant to paragraph 2.6(b) above; and (ii) discharge costs attributable to capital gains tax, securities transaction tax, transaction cost(s), brokerage charges, and any other expenses akin to the foregoing payable solely with respect to the sale of New Ordinary Shares pursuant this paragraph (collectively with sub-paragraph (i) of this paragraph 2.7(c), the **"Total Adjustment Amount"**). For the avoidance of doubt, costs attributable to the fees payable to advisors (including legal, tax, merchant banker and accounting), the fees payable to the trustee of the Trust and any other expenses akin to the foregoing costs, pursuant to the Scheme shall be borne by the Company, *inter alia*, through the Trust's corpus and/ or through the Trust invoicing the Company. The Trust shall determine the



number of New Ordinary Shares to be sold, the timing of the sale and the Stock Exchange on which such sale should be undertaken based on the advice of a merchant banker appointed by the Trust in this regard, provided however that such sale shall be concluded before the end of the calendar month as in which the Record Date falls, unless otherwise decided by the Board (including any Committee thereof) in accordance with the Applicable Law;

2.8. promptly following completion of such sale, the Trust shall:

- (a) immediately thereafter, remit the aggregate Adjustment Amount to the Company;
- (b) within 7 (seven) days from the date of such sale, transfer the New Ordinary Shares to the demat account of each Relevant Shareholder based on the Capital Reduction Consideration, less any New Ordinary Shares sold by the Trust to realise the Total Adjustment Amount in respect of such Relevant Shareholder;
- (c) within 7 (seven) days from the date of such sale, remit excess cash (if any) realized by the Trust in respect of the New Ordinary Shares sold by way of distribution, *pro rata*, to the Relevant Shareholders; and
- (d) undertake such additional action as may be required under Applicable Law.

2.9. the Company shall deposit the aggregate Adjustment Amount with the relevant governmental authority in the manner prescribed under Applicable Law (including Tax Laws) and shall provide each Relevant Shareholder such documents as are required to be provided by the Company under Applicable Law to evidence such payment.

2.10. The Appointed Date for the proposed Scheme is the same date as the Effective Date. The Effective Date for the proposed Scheme means the date on which the certified copy of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies by the Company.

2.11 Impact of the Scheme on the shareholders of the Company:

The reorganization of share capital envisaged by the Scheme is expected to: (i) simplify and consolidate the Company's capital structure and preserve liquidity for the Company's growth; (ii) be value accretive and beneficial for all shareholders of the Company, and allow the holders of the 'A' Ordinary Shares and Ordinary Shares to continue to participate in the Company's performance.

2.12 Need for the arrangement:

The Company issued the 'A' Ordinary Shares in 2008 as part of a rights issue with the objective of, *inter alia*, funding certain overseas investments. The 'A' Ordinary Shares were issued at a discount to the Ordinary Shares. This was the first issuance of 'A' Ordinary Shares by the Company and as on the date of issuance of the 'A' Ordinary Shares, there were limited instances



of issuances of equity shares with differential rights as to voting and dividend by Indian listed companies of the Company's market capitalization and size. Subsequent regulatory changes restricted the issuance of shares with differential voting rights, resulting in a narrow market for similar instruments. The discount in the price at which the 'A' Ordinary Shares trade *vis-à-vis* the Ordinary Shares has increased since the date of listing of the 'A' Ordinary Shares. This has the effect of understating the Company's market capitalization, contributes to a complex capital structure and increases administrative complexity *vis-à-vis* maintaining 2 (two) separate classes of shares. Accordingly, the Company proposes to reorganise its share capital by reducing the 'A' Ordinary Shares of the Company and paying consideration in the form of Ordinary Shares for such reduction.

2.13 Cost benefit analysis of the Scheme:

Although the Scheme would lead to the Company incurring costs towards its implementation, the benefits of the Scheme over a longer period of time will outweigh such costs for the stakeholders of the Company.

2.14 Synergies of business of the entities involved in the Scheme:

Not applicable. The Scheme relates to only one entity, i.e., the Company.

3 Rationale of the Scheme

- 3.1. The Company issued the 'A' Ordinary Shares in 2008 as part of a rights issue with the objective of, *inter alia*, funding certain overseas investments. The 'A' Ordinary Shares were issued at a discount to the Ordinary Shares.
- 3.2. The rights attached to the 'A' Ordinary Shares are similar to the rights attached to the Ordinary Shares in all respects except as to voting and dividend, as detailed in the Scheme.
- 3.3. This was the first issuance of 'A' Ordinary Shares by the Company and as on the date of issuance of the 'A' Ordinary Shares, there were limited instances of issuances of equity shares with differential rights as to voting and dividend by Indian listed companies of the Company's market capitalization and size.
- 3.4. Subsequent regulatory changes restricted the issuance of shares with differential voting rights, resulting in a narrow market for similar instruments. The discount in the price at which the 'A' Ordinary Shares trade *vis-à-vis* the Ordinary Shares has increased since the date of listing of the 'A' Ordinary Shares. This has the effect of understating the Company's market capitalization, contributes to a complex capital structure and increases administrative complexity *vis-à-vis* maintaining 2 (two) separate classes of shares.



- 3.5. In light of this background, the Company seeks to reorganise its share capital in accordance with Section 230 - 232 of the Act by cancelling and extinguishing 'A' Ordinary Shares and paying consideration to the holders of the 'A' Ordinary Shares in the form of New Ordinary Shares. The reorganization of share capital envisaged by the Scheme is expected to:
- (a) simplify and consolidate the Company's capital structure and preserve liquidity for the Company's growth; and
 - (b) be value accretive and beneficial for all shareholders of the Company, and allow the holders of the 'A' Ordinary Shares and Ordinary Shares to continue to participate in the Company's performance.
- 3.6. The networth of the Company as on June 30, 2023 is INR 21,167 crore. The reduction of the 'A' Ordinary Shares contemplated by the Scheme will not affect the ability or liquidity of the Company to meet any of its financial obligations/ commitments. The Scheme will not have any adverse impact on the creditors as further elaborated in the Scheme.
- 3.7. The Scheme will be in the best interest of the concerned stakeholders of the Company, including the holders of Ordinary Shares and the holders of 'A' Ordinary Shares.

4. Documents placed before the Audit Committee

- (a) Draft Scheme;
- (b) **Independent Valuation Report** dated July 24, 2023 ("**Valuation Report**") issued by PwC Business Consulting Services LLP, (IBBI Registered Valuer Number IBBI/RV-E/02/2022/158) describing, *inter alia*, the workings, relative fair value per share, fair share exchange ratio/entitlement and methodologies adopted by them in arriving at the recommended Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in connection with the proposed Scheme and setting out the computation of the Capital Reduction Consideration;
- (c) **Fairness opinion** dated July 24, 2023 ("**Fairness Opinion 1**") issued by Axis Capital Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. MB/INM000012029), providing their opinion on the fairness of the Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in connection with the proposed Scheme, as recommended in the Valuation Report, from a financial point of view, for the Ordinary Shareholders of the Company;
- (d) **Fairness opinion** dated July 24, 2023 ("**Fairness Opinion 2**") issued by Citigroup Global Markets India Private Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. INM000010718), providing their opinion on the fairness of the Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in



connection with the proposed Scheme, as recommended in the Valuation Report, from a financial point of view, for the 'A' Ordinary Shareholders of the Company;

- (e) **Auditors' Certificate** issued by B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), the statutory auditors of the Company, as required under Section 232(3) of the Companies Act and the SEBI Scheme Circulars certifying, *inter alia*, the repayment capability of the Company and that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act and that ;
- (f) **Pricing certificate ("Pricing Certificate")** of the document to be issued by B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), statutory auditors of the Company certifying that the minimum price of the Ordinary Shares proposed to be issued pursuant to the Scheme is in compliance with the provisions pertaining to pricing as contained in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2015, the signed and executed copy of which is proposed to be placed before the Board for their consideration, during the meeting on July 25, 2023; and
- (g) other presentations, reports, documents and information made to/ furnished before the Audit Committee pertaining to the draft Scheme,

5. Recommendation of the Audit Committee

- 5.1. The Audit Committee has reviewed the Valuation Report and noted the recommendations made therein. Further, the Fairness Opinion 1 and Fairness Opinion 2 have confirmed that the recommended Capital Reduction Consideration for the reduction of the 'A' Ordinary Shares of the Company in connection with the proposed Scheme, by the valuer in the Valuation Report is fair to the holders of the Ordinary Shares and 'A' Ordinary Shares of the Company, respectively.
- 5.2. Taking into consideration the draft Scheme, Valuation Report, Fairness Opinion 1, Fairness Opinion 2, need for the Scheme, rationale of the scheme, synergies of business of the entities involved in the scheme, impact of the Scheme on the shareholders, cost benefit analysis of the Scheme, and other relevant documents, in each case as applicable and as placed, the Audit Committee recommends the draft Scheme for favourable consideration and approval by the Board of Directors of the Company, Stock Exchanges, SEBI and other appropriate authorities.

Vedika Bhandarkar
Chairperson
Audit Committee
DIN: 00033808

Date: July 24, 2023
Place: Mumbai



REPORT ADOPTED BY THE COMMITTEE OF INDEPENDENT DIRECTORS OF TATA MOTORS LIMITED ("COMPANY") RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND ITS SHAREHOLDERS AND CREDITORS AT ITS MEETING HELD ON JULY 24, 2023

1. Background

- 1.1. The Company is a public limited company incorporated under the laws of India bearing corporate identification number L28920MH1945PLC004520 and having its Registered Office at Bombay House, 24 Homi Mody Street, Mumbai- 400001. The Ordinary Shares (as defined in the Scheme) and 'A' Ordinary Shares (as defined in the Scheme) and the Non-Convertible Debentures of the Company are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE" and collectively with the NSE, the "Stock Exchanges").
- 1.2. A meeting of the Committee of Independent Directors of the Company was held on July 24, 2023 to consider and recommend to the Board of Directors, the reorganisation of the share capital of the Company by way of reduction through cancellation of the 'A' Ordinary Shares of the Company and the consequent issuance and allotment of the Ordinary Shares as consideration other than cash through a scheme of arrangement to be entered into between the Company and its shareholders and creditors pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the rules framed thereunder ("Act" and such scheme, the "Scheme").
- 1.3. In terms of the Circular bearing no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 'Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957' dated June 20, 2023, and Circular bearing no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 'Master Circular for listing obligations and disclosure requirements for Non-Convertible Securities, Securitized Debt Instruments and/ or Commercial Paper' dated July 29, 2022, or any other circulars issued by the Securities and Exchange Board of India ("SEBI") prescribing the compliance requirements for schemes of arrangement involving listed companies in each case, as amended from time to time, (collectively, the "SEBI Scheme Circulars"), a report from the Committee of Independent Directors recommending the draft Scheme is required, taking into consideration, *inter alia*, that the Scheme is not detrimental to the shareholders of the Company (i.e., holders of the Ordinary Shares of the Company and the holders of the 'A' Ordinary Shares of the Company). This report of the Committee of Independent Directors is made in compliance with the requirements of the SEBI Scheme Circulars issued by SEBI pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

2. Salient features of the Scheme

2.1. The salient features of the proposed Scheme are as under:

- (a) reduction through cancellation of the 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares (the Ordinary Shares issued by the Company as the consideration pursuant to the Scheme hereinafter is referred to as 'New Ordinary Shares' for ease of reference, as more particularly defined below), as consideration other than cash for such reduction;

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- (b) creation of a Trust which will receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders as contemplated under the Scheme and the mechanism to discharge obligations and completion in terms of the Scheme;
 - (c) various other matters incidental to, consequential to and/ or otherwise connected with the above, under Section 230 - 232 and other applicable provisions of the Act, and the SEBI Scheme Circulars.
- 2.2. The consideration for reduction of the 'A' Ordinary Shares under the Scheme, is payable by way of consideration other than cash. Upon effectiveness of the Scheme and in accordance with the provisions of Scheme, the Company shall issue New Ordinary Shares to the holders of the 'A' Ordinary Shares as consideration for the reduction and cancellation of the 'A' Ordinary Shares. The issuance of consideration in the form of New Ordinary Shares rather than cash will have various benefits, including: (a) preserving liquidity for the Company's growth; (b) allowing the holders of the 'A' Ordinary Shares to continue to participate in the Company's performance; and (c) the other benefits as more generally set out in this report.
- 2.3. For the purposes of, *inter alia*, transfer of the Capital Reduction Consideration (*as defined below*) by the Company to the Relevant Shareholders (*as defined below*), the Company shall, prior to the Effective Date have settled the Trust (*as defined in the Scheme*). The Trust will receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders as contemplated paragraph 2.5 below, and will thereafter, post-sale of the requisite number of New Ordinary Shares to discharge obligations in relation to Total Adjustment Amounts (*as defined below*) and completion of the other actions more specifically enumerated in the Scheme, *inter alia*, distribute the remaining New Ordinary Shares to the Relevant Shareholders in terms of the Scheme.
- 2.4. In this regard, following the effectiveness of the Scheme, the Company shall, issue New Ordinary Shares on behalf and for the benefit of each holder of the 'A' Ordinary Shares whose shares have been cancelled in accordance with the Scheme and whose names appear in the register of members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date ("**Relevant Shareholders**") after (a) receipt of any documents required from the holders of 'A' Ordinary Shares pursuant to the Scheme; and (b) the actions required from the Trust pursuant to the Scheme.
- 2.5. The consideration specified under the Scheme, for every 10 cancelled and extinguished fully paid-up 'A' Ordinary Shares of face value of INR 2 (Indian Rupees Two only) each shall be:
- "7 fully paid-up Ordinary Share(s) of face value of INR 2 (Indian Rupees Two only) each."*
("Capital Reduction Consideration")
- Immediately post issuance and allotment, the Company shall take necessary steps for obtaining the listing and trading approvals for the issued shares in accordance with the Scheme.
- 2.6. The Ordinary Shares issued by the Company as the consideration pursuant to the Scheme are referred to as the "**New Ordinary Shares**". The New Ordinary Shares shall be issued/ transferred to the Relevant Shareholders pursuant to the Scheme in the manner set out below:



- (a) Upon effectiveness of the Scheme, the Company shall issue and allot the New Ordinary Shares to the Trust, which shall hold the New Ordinary Shares on behalf and for the benefit of each Relevant Shareholder.
 - (b) The Company shall notify the Trust of:
 - (i) the details of the demat account, bank account and other details of each Relevant Shareholder, as available in the records of the Company;
 - (ii) the number of New Ordinary Shares issued in respect of each Relevant Shareholder;
 - (iii) the amount to be withheld from the consideration attributable to each Relevant Shareholder under Applicable Law (including Tax Laws) ("**Adjustment Amount**").
- 2.7. the Trust shall, upon allotment of the New Ordinary Shares, sell such number of New Ordinary Shares on the Stock Exchanges, as may be required to: (i) realise the aggregate Adjustment Amount notified by the Company pursuant paragraph 2.6(b) above; and (ii) discharge costs attributable to capital gains tax, securities transaction tax, transaction cost(s), brokerage charges, and any other expenses akin to the foregoing payable solely with respect to the sale of New Ordinary Shares pursuant to this paragraph (collectively with sub-paragraph (i) of this paragraph 2.7(c), the "**Total Adjustment Amount**"). For the avoidance of doubt, costs attributable to the fees payable to advisors (including legal, tax, merchant banker and accounting), the fees payable to the trustee of the Trust and any other expenses akin to the foregoing costs, pursuant to the Scheme shall be borne by the Company, *inter alia*, through the Trust's corpus and/ or through the Trust invoicing the Company. The Trust shall determine the number of New Ordinary Shares to be sold, the timing of the sale and the Stock Exchange on which such sale should be undertaken based on the advice of a merchant banker appointed by the Trust in this regard, provided however that such sale shall be concluded before the end of the calendar month as in which the Record Date falls, unless otherwise decided by the Board in accordance with the Applicable Law;
- 2.8. promptly following completion of such sale, the Trust shall:
- (a) immediately thereafter, remit the aggregate Adjustment Amount to the Company;
 - (b) within 7 (seven) days from the date of such sale, transfer the New Ordinary Shares to the demat account of each Relevant Shareholder based on the Capital Reduction Consideration, less any New Ordinary Shares sold by the Trust to realise the Total Adjustment Amount in respect of such Relevant Shareholder;
 - (c) within 7 (seven) days from the date of such sale, remit excess cash (if any) realized by the Trust in respect of the New Ordinary Shares sold by it. Such amounts shall be distributed *pro rata* to the New Ordinary Shares sold in respect of the Relevant Shareholders; and
 - (d) undertake such additional action as may be required under Applicable Law.
- 2.9. the Company shall deposit the aggregate Adjustment Amount with the relevant governmental authority in the manner prescribed under Applicable Law (including Tax Laws) and shall provide each Relevant Shareholder such documents as are required to be provided by the Company under Applicable Law to evidence such payment.



- 2.10. The Appointed Date for the proposed Scheme is the same date as the Effective Date. The Effective Date for the proposed Scheme means the date on which the certified copy of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies by the Company.

3. Rationale of the Scheme

The Committee of Independent Directors noted the rationale and the benefits of the Scheme which, *inter alia*, are as stated below:

- 3.1. The Company issued the 'A' Ordinary Shares in 2008 as part of a rights issue with the objective of, *inter alia*, funding certain overseas investments. The 'A' Ordinary Shares were issued at a discount to the Ordinary Shares.
- 3.2. The rights attached to the 'A' Ordinary Shares are similar to the rights attached to the Ordinary Shares in all respects except as to voting and dividend, as detailed the Scheme.
- 3.3. This was the first issuance of 'A' Ordinary Shares by the Company and as on the date of issuance of the 'A' Ordinary Shares, there were limited instances of issuances of equity shares with differential rights as to voting and dividend by Indian listed companies of the Company's market capitalization and size.
- 3.4. Subsequent regulatory changes restricted the issuance of shares with differential voting rights, resulting in a narrow market for similar instruments. The discount in the price at which the 'A' Ordinary Shares trade *vis-à-vis* the Ordinary Shares has increased since the date of listing of the 'A' Ordinary Shares. This has the effect of understating the Company's market capitalization, contributes to a complex capital structure and increases administrative complexity *vis-à-vis* maintaining 2 (two) separate classes of shares.
- 3.5. In light of this background, the Company seeks to reorganise its share capital in accordance with Section 230 – Section 232 of the Act by cancelling and extinguishing 'A' Ordinary Shares and paying consideration to the holders of the 'A' Ordinary Shares in the form of New Ordinary Shares. The reorganization of share capital envisaged by the Scheme is expected to:
 - (a) simplify and consolidate the Company's capital structure and preserve liquidity for the Company's growth; and
 - (b) be value accretive and beneficial for all shareholders of the Company, and allow the holders of the 'A' Ordinary Shares and Ordinary Shares to continue to participate in the Company's performance.
- 3.6. The networth of the Company as on June 30, 2023 is INR 21,167 crore. The reduction of the 'A' Ordinary Shares contemplated by the Scheme will not affect the ability or liquidity of the Company to meet any of its financial obligations/ commitments. The Scheme will not have any adverse impact on the creditors as further elaborated in the Scheme.

4. Benefits of the Reduction of the 'A' Ordinary Shares

- 4.1. The Committee of Independent Directors noted that the extinguishment of the share capital pertaining to the 'A' Ordinary Shares will not only simplify the present capital structure of the Company but will also result in higher market capitalization and therefore will be in the interests of all the Shareholders.

- 4.2. In addition, regulatory changes subsequent to the date of issuance of 'A' Ordinary Shares have restricted the issuance of shares with differential voting rights, and the Company is the only large company with such type of shares. The extinguishment of the share capital pertaining to the 'A' Ordinary Shares will also de-risk the shareholders of 'A' Ordinary Shares from future regulatory uncertainty and changes.

5. Documents placed before the Committee of Independent Directors

- (a) Draft Scheme;
- (b) **Independent Valuation Report** dated July 24, 2023 ("**Valuation Report**") issued by PwC Business Consulting Services LLP, (IBBI Registered Valuer Number IBBI/RV-E/02/2022/158) describing, *inter alia*, the workings, relative fair value per share, fair share exchange ratio/entitlement and methodologies adopted by them in arriving at the recommended Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in connection with the proposed Scheme and setting out the computation of the Capital Reduction Consideration;
- (c) **Fairness opinion** dated July 24, 2023 ("**Fairness Opinion 1**") issued by Axis Capital Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. MB/INM000012029), providing their opinion on the fairness of the Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in connection with the proposed Scheme, as recommended in the Valuation Report, from a financial point of view, for the Ordinary Shareholders of the Company;
- (d) **Fairness opinion** dated July 24, 2023 ("**Fairness Opinion 2**") issued by Citigroup Global Markets India Private Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. INM000010718), providing their opinion on the fairness of the Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in connection with the proposed Scheme, as recommended in the Valuation Report, from a financial point of view, for the 'A' Ordinary Shareholders of the Company;
- (e) **Auditors' Certificate** issued by B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), the statutory auditors of the Company, as required under Section 232(3) of the Act and the SEBI Scheme Circulars certifying, *inter alia*, the repayment capability of the Company and that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act;
- (f) **Pricing certificate** unsigned draft ("**Pricing Certificate**") issued by B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), statutory auditors of the Company certifying that the minimum price of the Ordinary Shares proposed to be issued pursuant to the Scheme is in compliance with the provisions pertaining to pricing as contained in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2011, the signed and executed copy of which is proposed to be placed before the Board for their consideration, during the meeting on July 25, 2023; and
- (g) other presentations, reports, documents and information made to/ furnished before the Committee of Independent Directors pertaining to the draft Scheme



6. Scheme not detrimental to the shareholders of the Company

The Committee noted that the Capital Reduction Consideration payable to the 'A' Ordinary Shareholders for reduction of the share capital pertaining to the 'A' Ordinary Shares under the Scheme was fair and the Ordinary Shareholders would also stand to gain from increased market capitalisation.

7. Recommendation of the Committee of Independent Directors

The Committee of Independent Directors recommended the Scheme for the consideration and approval of the Scheme by the Board.

A handwritten signature in blue ink, appearing to read 'Vedika B.'.

Vedika Bhandarkar
Chairperson
Independent Director
DIN: 00033808

Date: *July 24, 2023*
Place: *MUMBAI*

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TATA MOTORS LIMITED ("COMPANY") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON JULY 25, 2023

1. Based on the recommendations of the Audit Committee and Committee of Independent Directors of the Company, the Board of Directors of the Company at its meeting held on July 25, 2023, had, subject to the approval of the members and/or creditors, as may be required, and other relevant authorities, approved reorganisation of the share capital of the Company by way of reduction through cancellation of the 'A' Ordinary Shares (*as defined in the Scheme*) of the Company and the consequent issuance and allotment of the Ordinary Shares (*as defined in the Scheme*) as consideration other than cash through a scheme of arrangement to be entered into between the Company and its shareholders and creditors pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the rules framed thereunder ("**Act**" and such scheme, the "**Scheme**").
2. The Scheme, *inter alia*, provides for:
 - (a) reduction through cancellation of the 'A' Ordinary Shares (*as defined in the Scheme*) and the consequent issuance and allotment of the Ordinary Shares (*the Ordinary Shares issued by the Company as the consideration pursuant to the Scheme is hereinafter referred to as 'New Ordinary Shares' for ease of reference, as more particularly defined below*), as consideration other than cash for such reduction;
 - (b) creation of a Trust which will receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders as contemplated under the Scheme and the mechanism to discharge obligations and completion in terms of the Scheme;
 - (c) various other matters incidental to, consequential to and/ or otherwise connected with the above, under Section 230 - 232 and other applicable provisions of the Act and the SEBI Scheme Circulars (*as defined below*).

Words and expressions, used in capitalized form but not defined in this report, shall have the meaning ascribed to them in the Scheme.

3. The draft Scheme will be filed with the stock exchanges on which the shares (both the Ordinary Shares and the 'A' Ordinary Shares) and non-convertible debentures of the Company, are listed, i.e., BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" collectively with the BSE, the "**Stock Exchanges**"), pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") read with Circular bearing no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 '*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957*' dated June 20, 2023, issued by the Securities and Exchange Board of India ("**SEBI**") prescribing the compliance requirements for schemes of arrangement involving listed companies in each case, as amended from time to time, (collectively, the "**SEBI Scheme**").



Circular") and pursuant to Regulation 59A of the Listing Regulations read with Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 '*Master Circular for listing obligations and disclosure requirements for non-convertible Securities, Securitised Debt Instruments and/ or Commercial Paper*' dated July 29, 2022 ('**SEBI Scheme Circular – Debt**') or any other circulars issued by the SEBI (collectively with the SEBI Scheme Circular and the SEBI Scheme Circular – Debt, the "**SEBI Scheme Circulars**") for obtaining a no-objection letter from the Stock Exchanges.

4. The Scheme will be presented before the National Company Law Tribunal, bench at Mumbai ("**NCLT**") under Sections 230 to 232 and other applicable provisions of the Act, and will also be in compliance with the applicable provisions of the Income-tax Act, 1961 and the SEBI Scheme Circulars.
5. The Scheme was approved by the Audit Committee of the Company and by the Committee of Independent Directors at their separate meetings held on July 24, 2023.
6. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Board of Directors of the Company explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, laying out in particular, the Capital Reduction Consideration (*as defined below*), specifying any special valuation difficulties, if any. Further, pursuant to the requirements of the SEBI Scheme Circular - Debt, the Board is required to also comment on impact of the scheme on the holders of non-convertible debentures ("**NCDs**") and non-convertible preference shares ("**NCRPS**"), safeguards for the protection of the holders of NCDs and exit offer to the dissenting shareholders of NCD/ NCRPS, if any ("**Report**").

Accordingly, this Report is being prepared to comply with the requirements of the Act read with the SEBI Scheme Circulars and for adoption by the Board.

7. Having regard to the applicability of the aforesaid provisions, a draft of the Scheme and the following documents were placed before the Board:
 - (a) **Independent Valuation Report** dated July 24, 2023 ("**Valuation Report**") issued by PwC Business Consulting Services LLP, (IBBI Registered Valuer Number IBBI/RV-E/02/2022/158) describing, *inter alia*, the workings, relative fair value per share, fair share exchange ratio/entitlement and methodologies adopted by them in arriving at the recommended Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in connection with the proposed Scheme and setting out the computation of the Capital Reduction Consideration;
 - (b) **Fairness opinion dated July 24, 2023 ("**Fairness Opinion 1**")** issued by Axis Capital Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. MB/INM000012029), providing their opinion on the fairness of the Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in connection with the proposed Scheme, as recommended in the Valuation Report, from a financial point of view, for the Ordinary Shareholders of the Company;
 - (c) **Fairness opinion dated July 24, 2023 ("**Fairness Opinion 2**")** issued by Citigroup Global Markets India Private Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. INM000010718), providing their opinion on the fairness of the Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company in



connection with the proposed Scheme, as recommended in the Valuation Report, from a financial point of view, for the 'A' Ordinary Shareholders of the Company;

- (d) **Auditors' Certificate** issued by B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), the statutory auditors of the Company, as required under Section 232(3) of the Act, the SEBI Scheme Circulars certifying, *inter alia*, the repayment capability of the Company and that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act;
- (e) **Report** dated July 24, 2023 prepared by the Audit Committee of the Company in terms of the requirements of the SEBI Scheme Circular;
- (f) **Report** dated July 24, 2023 prepared by the Committee of Independent Directors of the Company in terms of the requirements of the SEBI Scheme Circular;
- (g) **Pricing certificate** dated July 25, 2023 ("**Pricing Certificate**") issued by B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), statutory auditors of the Company certifying that the minimum price of the Ordinary Shares proposed to be issued pursuant to the Scheme is in compliance with the provisions pertaining to pricing as contained in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2015; and
- (h) Other presentations, reports, documents and information made to/ furnished before the Board pertaining to the draft Scheme.

8. Rationale of the Scheme

- 8.1. The Company issued the 'A' Ordinary Shares in 2008 as part of a rights issue with the objective of, *inter alia*, funding certain overseas investments. The 'A' Ordinary Shares were issued at a discount to the Ordinary Shares.
- 8.2. The rights attached to the 'A' Ordinary Shares are similar to the rights attached to the Ordinary Shares in all respects except as to voting and dividend, as detailed in the Scheme.
- 8.3. This was the first issuance of 'A' Ordinary Shares by the Company and as on the date of issuance of the 'A' Ordinary Shares, there were limited instances of issuances of equity shares with differential rights as to voting and dividend by Indian listed companies of the Company's market capitalization and size.
- 8.4. Subsequent regulatory changes restricted the issuance of shares with differential voting rights, resulting in a narrow market for similar instruments. The discount in the price at which the 'A' Ordinary Shares trade *vis-à-vis* the Ordinary Shares has increased since the date of listing of the 'A' Ordinary Shares. This has the effect of understating the Company's market capitalization, contributes to a complex capital structure and increases administrative complexity *vis-à-vis* maintaining 2 (two) separate classes of shares.
- 8.5. In light of this background, the Company seeks to reorganise its share capital in accordance with Section 230 - 232 of the Act by cancelling and extinguishing 'A' Ordinary Shares and paying consideration to the holders of the 'A' Ordinary Shares in the form of New Ordinary Shares. The reorganization of share capital envisaged by the Scheme is expected to:



- (a) simplify and consolidate the Company's capital structure and preserve liquidity for the Company's growth; and
 - (b) be value accretive and beneficial for all shareholders of the Company, and allow the holders of the 'A' Ordinary Shares and Ordinary Shares to continue to participate in the Company's performance.
- 8.6. The networth of the Company as on June 30, 2023 is INR 21,167 crore. The reduction of the 'A' Ordinary Shares contemplated by the Scheme will not affect the ability or liquidity of the Company to meet any of its financial obligations/ commitments. The Scheme will not have any adverse impact on the creditors as further elaborated in the Scheme.
- 8.7. The Scheme will be in the best interest of the concerned stakeholders of the Company, including the holders of Ordinary Shares and the holders of 'A' Ordinary Shares.
9. **Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders) of the Company:**
- 9.1. The Company has two classes of shareholders, i.e., (i) holders of Ordinary Shares, and (ii) holders of 'A' Ordinary Shares.
- 9.3. The consideration for reduction of the 'A' Ordinary Shares under the Scheme, is payable by way of consideration other than cash. Upon effectiveness of the Scheme and in accordance with the provisions of Scheme, the Company shall issue New Ordinary Shares to the holders of the 'A' Ordinary Shares as consideration for the reduction and cancellation of the 'A' Ordinary Shares. The issuance of consideration in the form of New Ordinary Shares rather than cash will have various benefits, including: (a) preserving liquidity for the Company's growth; (b) allowing the holders of the 'A' Ordinary Shares to continue to participate in the Company's performance; and (c) the benefits set out in paragraph 8.4 above.
- 9.4. For the purposes of, *inter alia*, transfer of the Capital Reduction Consideration (*as defined below*) by the Company to the Relevant Shareholders (*as defined below*), the Company shall, prior to the Effective Date have settled the Trust (*as defined in the Scheme*). The Trust will receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders as contemplated under paragraph 9.6 below, and will thereafter, post-sale of the requisite number of New Ordinary Shares to discharge obligations in relation to Total Adjustment Amounts (*as defined below*) and completion of the other actions more specifically enumerated in the Scheme, *inter alia*, distribute the remaining New Ordinary Shares to the Relevant Shareholders in terms of the Scheme.
- 9.5. In this regard, following the effectiveness of the Scheme, the Company shall, issue New Ordinary Shares on behalf and for the benefit of each holder of the 'A' Ordinary Shares whose shares have been cancelled in accordance with the Scheme and whose names appear in the register of members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date ("**Relevant Shareholders**"), without any further application, act or deed, save for: (a) any documents required from the holders of 'A' Ordinary Shares pursuant to the Scheme; and (b) the actions required from the Trust pursuant to the Scheme.



- 9.6 The consideration specified under the Scheme, for every 10 cancelled and extinguished fully paid-up 'A' Ordinary Shares of face value of INR 2 (Indian Rupees Two only) each shall be:

*"7 fully paid-up Ordinary Share(s) of face value of INR 2 (Indian Rupees Two only) each."
("Capital Reduction Consideration")*

Immediately post issuance and allotment, the Company shall take necessary steps for obtaining the listing and trading approvals for the issued shares in accordance with the Scheme.

- 9.7 The Ordinary Shares issued by the Company as the consideration pursuant to the Scheme are referred to as the **"New Ordinary Shares"**. The New Ordinary Shares shall be issued/ transferred to the Relevant Shareholders pursuant to the Scheme in the manner set out below:

- (a) Upon effectiveness of the Scheme, the Company shall issue and allot the New Ordinary Shares to the Trust, which shall hold the New Ordinary Shares on behalf and for the benefit of each Relevant Shareholder.
- (b) The Company shall notify the Trust of:
 - (i) the details of the demat account, bank account and other details of each Relevant Shareholder, as available in the records of the Company;
 - (ii) the number of New Ordinary Shares issued in respect of each Relevant Shareholder;
 - (iii) the amount to be withheld from the consideration attributable to each Relevant Shareholder under Applicable Law (including Tax Laws) (**"Adjustment Amount"**).

- 9.8 the Trust shall, upon allotment of the New Ordinary Shares, sell such number of New Ordinary Shares on the Stock Exchanges, as may be required to: (i) realise the aggregate Adjustment Amount notified by the Company pursuant paragraph 9.7(b) above; and (ii) discharge costs attributable to capital gains tax, securities transaction tax, transaction cost(s), brokerage charges, and any other expenses akin to the foregoing payable solely with respect to the sale of New Ordinary Shares pursuant to this paragraph (collectively with sub-paragraph (i) of this paragraph 9.8(c), the **"Total Adjustment Amount"**). For the avoidance of doubt, costs attributable to the fees payable to advisors (including legal, tax, merchant banker and accounting), the fees payable to the trustee of the Trust and any other expenses akin to the foregoing costs, pursuant to the Scheme shall be borne by the Company, *inter alia*, through the Trust's corpus and/ or through the Trust invoicing the Company. The Trust shall determine the number of New Ordinary Shares to be sold, the timing of the sale and the Stock Exchange on which such sale should be undertaken based on the advice of a merchant banker appointed by the Trust in this regard, provided however that such sale shall be concluded before the end of the calendar month as in which the Record Date falls, unless otherwise decided by the Board (including any Committee thereof) in accordance with the Applicable Law;

- 9.9 promptly following completion of such sale, the Trust shall:
- (a) immediately thereafter, remit the aggregate Adjustment Amount to the Company;
 - (b) within 7 (seven) days from the date of such sale, transfer the New Ordinary Shares to the demat account of each Relevant Shareholder based on the Capital Reduction Consideration, less any New Ordinary Shares sold by the Trust to realise the Total



Adjustment Amount in respect of such Relevant Shareholder;

- (c) within 7 (seven) days from the date of such sale, remit excess cash (if any) realized by the Trust in respect of the New Ordinary Shares sold by way of distribution, *pro rata*, to the Relevant Shareholders; and
 - (d) undertake such additional action as may be required under Applicable Law.
- 9.10** the Company shall deposit the aggregate Adjustment Amount with the relevant governmental authority in the manner prescribed under Applicable Law (including Tax Laws) and shall provide each Relevant Shareholder such documents as are required to be provided by the Company under Applicable Law to evidence such payment.
- 9.4.** Upon the Scheme becoming effective, and without the requirement for any further application, act, deed, consent or other actions from the holders of 'A' Ordinary Shares (including surrendering of share certificates and/ or sending appropriate instructions to the depository participants), the 'A' Ordinary Shares shall stand cancelled, extinguished and rendered invalid in accordance with the Scheme.
- 9.5.** As far as the existing holders of Ordinary Shares of the Company are concerned (promoter shareholders as well as non-promoter shareholders), the issuance of Ordinary Shares in accordance with the Consideration will result in dilution of voting rights of promoter group in the Company by approximately 3.2% and in turn will increase the voting rights of the public shareholders to that extent.
- 9.6.** The New Ordinary Shares to be issued and allotted by the Company in the manner set out above shall be fully paid-up and rank *pari passu* in all respects with the Ordinary Shares of the Company including with respect to dividend and (ii) will be listed and/ or admitted to trading on the Stock Exchanges.
- 9.7.** The Scheme is expected to have several benefits for the Company, as indicated in the rationale of the Scheme and is expected to be in the best interests of the shareholders (i.e., holders of Ordinary Shares and holders of 'A' Ordinary Shares) of the Company.
- 10. Effect of the Scheme on Directors and Key Managerial Personnel of the Company:**
- 10.1.** The Scheme is not expected to have any effect on the directors and key managerial personnel of the Company. Further, no change in the Board of Directors of the Company is envisaged on account of the Scheme.
- 10.2.** The directors holding shares of the Company do not have any other interest in the Scheme otherwise than that as a shareholder of the Company. Further, none of the key managerial personnel and / or relatives of the directors of the Company is concerned or interested, financially or otherwise in the proposed Scheme. Save as aforesaid, none of the directors of the Company have any material interest in the proposed Scheme.
- 10.3.** The individual shareholding, of each of the said directors, the key managerial personnel and their respective relatives, is less than 2% of the paid up share capital of the Company. The shareholding of the present directors and key managerial personnel of the Company, either individually or jointly as a first holder or as a nominee, in the Company is as under:



Name of Director / Key Managerial Personnel	No. of Shares Held	Percentage to total capital
Mr N Chandrasekaran Chairman	2,00,000	0.006
Mr Om Prakash Bhatt Independent Director	NIL	NIL
Ms Hanne Sorensen Independent Director	NIL	NIL
Ms Vedika Bhandarkar Independent Director	NIL	NIL
Mr Mitsuhiko Yamashita Non-Executive Director	NIL	NIL
Mr Kosaraju V Chowdary Independent Director	NIL	NIL
Mr Al-Noor Ramji Independent Director	NIL	NIL
Mrs Usha Sangwan Independent Director	NIL	NIL
Mr Girish Wagh Executive Director	38,100	0.001
Mr. P B Balaji President & Group CFO	1,03,820	0.003
Mr. Maloy Kumar Gupta Company Secretary	NIL	NIL
Total (A)	3,41,920	0.010
Relatives of Directors & Key Managerial Personnel		
Mr. Natarajan Srinivasan Brother of Mr N Chandrasekaran	25,000	0.001
Mr. Manish Arun Wagh Brother of Mr. Girish Wagh	482	0.000
Mr. Girish Chowdary Son of Mr Kosaraju V Chowdary	200	0.000
Total (B)	25,682	0.001
Grand Total (A+B)	3,67,602	0.011

11. **Impact of the Scheme on the holders of the NCDs:**
There is no impact since the repayment capacity of the Company is not impacted by the Scheme.
12. **Safeguards for the protection of the holders of NCDs:**
Not applicable since NCD holders will not be impacted by the Scheme.
13. **Exit offer to the dissenting holders of NCDs, if any:**
Not applicable since NCD holders will not be impacted by the Scheme.
14. The Company has not issued any NCRPS
Basis the above, the Board confirmed that the Scheme would not be detrimental to the interests of the holders of NCDs.

**15. Consideration**

- 15.1.** For the purpose of arriving at the recommended Capital Reduction Consideration, the Valuation Report was obtained by the Company.
- 15.2.** The independent registered valuer appointed to determine and recommend the Capital Reduction Consideration for reduction in 'A' Ordinary Shares of the Company in connection with the proposed Scheme has not expressed any difficulty while determining the same.
- 15.3.** The Fairness Opinions issued by Axis Capital Limited and Citigroup Global Markets India Private Limited also do not indicate any special valuation difficulties.
- 15.4.** The independent valuer has considered the market price approach, income approach and the net asset value approach, with higher weightage given to the market approach and equal weightage given to the income approach and the net asset value approach, to arrive at the recommended Capital Reduction Consideration for reduction in 'A' Ordinary Shares of the Company in connection with the proposed Scheme.
- 15.5.** The recommendation of the Capital Reduction Consideration for the reduction in 'A' Ordinary Shares of the Company in connection with the proposed Scheme has been certified as being fair and has been approved by the Board of the Company, the Audit Committee of the Company and the Committee of Independent Directors of the Company.

16. Adoption of the Report by the Board of Directors

The Board has adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

A handwritten signature in black ink, appearing to be 'Girish Wagh'.

Girish Wagh
Executive Director
DIN: 03119361

Date: *July 25, 2023*

Place: *MUMBAI*



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS
AT ITS BOARD MEETING HELD ON JULY 25, 2023

RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Rules and/ or Regulations made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force (**"the Act"**), the Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated June 20, 2023, Circular bearing no. SEBI/HO/CFD/POD-2/P/CIR/2023/93, Circular bearing no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 'Master Circular for listing obligations and disclosure requirements for Nonconvertible Securities, Securitized Debt Instruments and/ or Commercial Paper' dated July 29, 2022 issued by SEBI, as amended from time to time, or any other Circulars issued by the Securities and Exchange Board of India (**"SEBI"**) prescribing the compliance requirements for schemes of arrangement involving listed companies in each case, as amended from time to time, (collectively, the **"SEBI Scheme Circulars"**), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) and subject to, *inter alia*, sanction of the Hon'ble National Company Law Tribunal (**"NCLT"**) having jurisdiction over Tata Motors Limited (**"the Company"**), receipt of observation or no-objection letters from BSE Limited (**"BSE"**) and National Stock Exchange of India Limited (**"NSE"**) collectively with the BSE the **"Stock Exchanges"**) and SEBI, as may be required, requisite approval of the shareholders, (i.e., holders of the Ordinary Shares of the Company and the holders of the 'A' Ordinary Shares of the Company) and other classes of persons, if applicable, of the Company and approval of any other relevant statutory or regulatory authorities as may be required, and based on the recommendations of the Audit Committee and the Committee of Independent Directors of the Company *vide* their separate reports dated July 24, 2023 (**"Audit Committee Report"** and **"Independent Directors' Committee Report"**), approval of the Board of Directors of the Company (**"the Board"**) be and is hereby accorded to the draft Scheme of Arrangement between the Company and its Shareholders and Creditors on the terms and conditions as stated therein (**"Scheme"**) placed before the Board, which would provide, *inter alia*, (a) reduction of share capital of the Company through cancellation of the 'A' Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares (the Ordinary Shares issued by the Company as the consideration pursuant to the Scheme hereinafter is referred to as 'New Ordinary Shares'), as

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consideration other than cash for such reduction; (b) creation of a Trust which would receive the New Ordinary Shares from the Company on behalf and for the benefit of each of the Relevant Shareholders as contemplated under the Scheme as well as the mechanism to discharge obligations and completion in terms of the Scheme; and (c) various other matters incidental to, consequential to and/ or otherwise connected with the above, under Section 230 to 232 and other applicable provisions of the Act, and the SEBI Scheme Circulars."

RESOLVED FURTHER THAT the contents of the Independent Valuation Report dated July 24, 2023 ("**Valuation Report**") issued by PwC Business Consulting Services LLP, (IBBI Registered Valuer Number IBBI/RV-E/02/2022/158) on the recommendation of the consideration for reduction of the 'A' Ordinary Shares of the Company, in connection with the proposed Scheme, a copy of which was tabled at the meeting, is noted and accepted, and the Valuation Report be and is hereby accepted and taken on record.

RESOLVED FURTHER THAT the contents of the Fairness Opinion issued by Axis Capital Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. MB/INM000012029), providing their opinion on the fairness of the capital reduction consideration for reduction of the 'A' Ordinary Shares of the Company as contemplated in the proposed Scheme, from a financial point of view for the Ordinary Shareholders of the Company in connection with the proposed Scheme, a copy of which was tabled at the meeting, is noted and accepted, and that the Fairness Opinion be and is hereby accepted and taken on record.

RESOLVED FURTHER THAT the contents of the Fairness Opinion issued by Citigroup Global Markets India Private Limited, a SEBI registered Category I Merchant Banker, (SEBI Registration No. INM000010718), providing their opinion on the fairness of the Capital Reduction Consideration for reduction of the 'A' Ordinary Shares of the Company as contemplated in the proposed Scheme, from a financial point of view for the 'A' Ordinary Shareholders of the Company, a copy of which was tabled at the meeting, is noted and accepted, and that the Fairness Opinion be and is hereby accepted and taken on record.

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RESOLVED FURTHER THAT for the purposes of Sections 230 to 232 of the Act and the SEBI Scheme Circulars read with the Listing Regulations, the Certificate dated July 25, 2023 issued by BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), the Statutory Auditors of the Company ("**Auditor's Certificate**"), certifying, *inter alia*, that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act, as placed before the Board, be and is hereby accepted and taken on record.

RESOLVED FURTHER THAT for the purposes of Sections 230 to 232 of the Act and the SEBI Scheme Circular read with the Listing Regulations, the Certificate dated July 25, 2023 issued by BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), Statutory Auditors of the Company ("**Pricing Certificate**"), certifying that the minimum price of the Ordinary Shares proposed to be issued pursuant to the Scheme is in compliance with the provisions pertaining to pricing as contained in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2015, as placed before the Board, be and is hereby accepted and taken on record.

RESOLVED FURTHER THAT the: (i) Audit Committee Report recommending the Scheme, prepared in conformity with the SEBI Scheme Circular taking into consideration *inter alia* the Valuation Report, the Fairness Opinions, the Auditor's Certificate and the Pricing Certificate; and (ii) the Independent Directors' Committee Report recommending the Scheme taking into consideration *inter alia* that the Scheme is not detrimental to the shareholders (i.e., holders of the Ordinary Shares of the Company and the holders of the 'A' Ordinary Shares of the Company), be and are hereby accepted and taken on record.

RESOLVED FURTHER THAT for the purposes of the proposed Scheme, having considered, *inter alia*, (i) the recommendations of the Audit Committee and the Committee of Independent Directors *vide* the Audit Committee Report and the Committee of Independent Directors' Report, respectively; (ii) the Valuation Report; (iii) the Fairness Opinions and (iv) the Pricing Certificate, approval of the Board be and is hereby accorded to the following consideration for reduction in

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capital by way of cancellation of the 'A' Ordinary Shares of the Company, in connection with the proposed Scheme:

"7 fully paid-up Ordinary Share(s) of face value of INR 2 (Indian Rupees Two only) each for every 10 fully paid-up 'A' Ordinary Shares of face value of INR 2 (Indian Rupees Two only)."

RESOLVED FURTHER THAT in the opinion of the Board, the draft Scheme would be beneficial to the shareholders (*i.e.*, the holders of Ordinary Shares of the Company and the holders of the 'A' Ordinary Shares of the Company) and other stakeholders of the Company, and the terms thereof are fair and reasonable.

RESOLVED FURTHER THAT an application be made to the NCLT under the provisions of Sections 230 to 232 and other applicable provisions of the Act, *inter alia*, seeking necessary directions for holding meetings of the shareholders (*i.e.*, the holders of Ordinary Shares of the Company and the holders of the 'A' Ordinary Shares of the Company) and creditors (if required) of the Company or for seeking dispensation of such meetings, and for the purpose of considering and approving the aforesaid draft Scheme by NCLT.

RESOLVED FURTHER THAT Mr. Girish Wagh, Executive Director, Mr P B Balaji, President & Group Chief Financial Officer, Mr. Dhiman Gupta, Vice President – Treasury, IR and M&A, Mr. Madhav Rao Uppuluri, Vice President - Corporate Legal, Ms. Smriti Goyal, Vice President – Finance & Group Controls and Mr. Maloy Kumar Gupta, Company Secretary (collectively '**the Authorized Persons**'), be and are hereby severally authorized for and on behalf of the Company, to:

- a) make and agree to such modifications, alterations or amendments to the draft Scheme and other documents, agreements as may be required or may otherwise be considered necessary, desirable, expedient or appropriate, including for giving effect to the outcome of any proposed corporate actions which had commenced but not yet completed or may be necessary to comply with any conditions or limitations the NCLT or any other statutory authorities may deem fit to direct or impose, to give effect to the Scheme;

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- b) form/constitute an irrevocable determinate Trust under the Indian Trusts Act, 1882 for the purposes of receiving the consideration on behalf and for the benefits of the holders of the 'A' Ordinary Shares as well as to sell a portion of the New Ordinary Shares received as consideration, to the extent necessary to discharge tax obligations relating to the reduction in capital, depositing the tax amounts with appropriate authorities and transferring the remaining consideration to the holders of the 'A' Ordinary Shares in the manner set out in the Scheme and for other matters incidental thereto;
- c) settle any question, doubt or any difficulty that may arise with regard to the Scheme, including passing of accounting entries and/or making such other adjustments in the books of accounts as considered necessary to give effect to the Scheme and this Resolution;

RESOLVED FURTHER THAT the aforesaid Authorized Persons, Ms. Saraswathi Subramanian, Senior General Manager – Direct Taxation, Ms. Namrata Divekar, Senior General Manager – Treasury, IR and M&A, Mr. Prakash Pandey, Senior General Manager – Treasury, IR and M&A and Mr. Sudipto Das, General Manager – Corporate Secretarial, be and are hereby severally authorized for and on behalf of the Company, to:

- I. make appropriate applications, filings, certificates, forms including e-forms, documents and other instruments as may be deemed necessary or appropriate, to notify, obtain no-objection/observation letter, approval or sanction from and/or represent before the said authorities including the shareholders, bankers, financial institution(s), counter parties to contracts, as may be considered necessary, for the purpose of giving effect to the Scheme;
- II. sign all applications and provide all certificates and documents, make necessary representations before various government and other authorities concerned and to sign all deeds and documents, etc. as may be required to give effect to the Scheme;

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- III. sign all applications, petitions, documents, vakalatnamas, notices, declarations, undertakings, affidavits, letters, etc. relating to the Scheme, obtaining approval from and representing the Company before any regulatory authorities in relation to any matter pertaining to the Scheme or delegate such authority, in writing, to another person(s);
- IV. engage the services of the auditors, advocates, counsels, legal experts, merchant bankers, consultants and other concerned agencies to do all things necessary and expedient in connection with and to give effect to the Scheme;
- V. settle any question, doubt or any difficulty that may arise with regard to the Scheme, including passing of accounting entries and/or making such other adjustments in the books of accounts as are considered necessary to give effect to the Scheme and this Resolution;
- VI. do all such and further acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto; and
- VII. to delegate any or all of the above to any person as they may deem fit, in writing, including through necessary powers of attorney.

RESOLVED FURTHER THAT approval of the Board be and is hereby accorded to the Company to appoint BSE Limited as the Designated Stock Exchange for all its communications with SEBI for the purpose of seeking necessary approval to the Scheme.

RESOLVED FURTHER THAT the report of the Board explaining the effect of the Scheme on each class of shareholders (*i.e.*, the holders of Ordinary Shares of the Company, and the holders of the 'A' Ordinary Shares of the Company), key managerial personnel, promoters and non-promoter shareholders laying out in particular the consideration and specifying the valuation

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difficulties, if any, as required to be annexed to the notice and explanatory statement as per section 232(2) of the Act, placed before the meeting, and signed on behalf of the Board by Mr. Girish Wagh, Executive Director be and is hereby adopted.

RESOLVED FURTHER THAT the disclosure under Regulation 30 of the Listing Regulations, to be submitted to the Stock Exchanges in connection with the proposed Scheme, for and on behalf of the Company, a copy of which was tabled before the Board, be and is hereby approved.

RESOLVED FURTHER THAT any action already taken by the Directors and/or officers of the Company in relation to the Scheme including appointment of advisors, valuers, auditors, accountants, merchant bankers, escrow agent and such other entity(ies), be and is hereby approved and ratified.

RESOLVED FURTHER THAT the copy(ies) of the above Resolutions certified to be true by any one of the Directors or the Company Secretary of the Company be submitted to the authorities concerned with a request to act thereupon.

Certified True Copy

MALAY
KUMAR
GUPTA

Digitally signed by
MALAY KUMAR GUPTA
Date: 2023.08.03 19:33:08
+05'30'

Malay Kumar Gupta
Company Secretary

TATA MOTORS LIMITED

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Pre Ordinar' Shareholding

Pe Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.	Name of Listed Entity: Tata Motors Limited - Ordinary Shares
2.	Scrip Code/Name of Scrip/Class of Security: 500570
3.	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)
	a. If under 31(1)(b) then indicate the report for Quarter ending: June 30, 2023
	b. If under 31(1)(c) then indicate date of allotment/extinguishment
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-

	Particulars	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares?	Yes	
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	Yes	
4	Whether the Listed Entity has any shares in locked-in?	Yes	
5	Whether any shares held by promoters are pledge or otherwise encumbered?	Yes	
6	Whether company has equity shares with differential voting rights?	Yes	

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



Certified True Copy
For Tata Motors Limited

MALLOY
KUMAR
GUPTA

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GUPTA
Date: 2023.11.08
16:35:31 +05'30'

Maloy Kumar Gupta
Company Secretary

Tata Motors Limited - Ordinary Shares

Table I - Summary Statement holding of specified securities

Category	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
							Class eg: X	Class eg: Y	Total			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) As a % of (A+B+C2)	(ix)			(x)	(xi) = (vii)+(ix) As a % of (A+B+C2)	(xii)	(xiii)	(xiv)	(xv)	(xvi)
(A)	Promoter & Promoter Group	8	1540885009	0	0	46.39	1540885009	3900294	1544785303	45.81	0	231333871	15.01	28062500	1.82	1540885009
(B)	Public	3502400	1734875926	570	45725077	53.61	1780605573	4694988	1827555561	54.19	0	0	0.00	NA	NA	1766916461
(C)	Non Promoter - Non Public			0	0			0	0	0	0		0.00	NA	NA	
(C1)	Shares Underlying DRs	0	0	0	0	0.00	0	0	0	0.00	0	0	0.00	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0.00	0	0	0	0.00	0	0	0.00	NA	NA	0
	Total	3502408	3275764935	570	45725077	100.00	3321490582	50850282	3372340864	100.00	0	231333871	6.96	28062500	0.84	3307801470





Tata Motors Limited - Ordinary Shares

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the shareholders	Entity Type	PAN	Nos. of sharehold-ers	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
									No of Voting Rights					As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)		As a % of total Shares held(b)
									Class eg: X	Class eg: Y	Total								
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)	(x)	(xi) = (vii)+(x) % of (A+B+C2)	(xii)	(xiii)	(xiv)						
1	Indian																		
(a)	Individuals / Hindu Undivided Family																		
(b)	Central Government / State Government(s)																		
(c)	Financial Institutions / Banks																		
(d)	Any Other (Specify)																		
(i)	Bodies Corporate																		
	Promoter Group																		
	Tata Sons Private Limited		1	1452113801			1452113801	43.72	1452113801	3851128	1455964929	43.17	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Tata Industries Limited		1	72203630			72203630	2.17	72203630		11000000	0.33	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Promoter Group		1	11000000			11000000	0.33	11000000		11000000	0.33	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Promoter Group		1	3084542			3084542	0.09	3084542	44064	3128606	0.09	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Tata Chemicals Limited		1	3966294			3966294	0.06	3966294		3966294	0.06	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Promoter Group		1	357159			357159	0.01	357159	5102	362761	0.01	0	46.39	231333871	15.01	28062500	1.82	1540885009
	The Tata Power Company Limited		1	100000			100000	0.00	100000		100000	0.00	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Tata Steel Limited		1	59583			59583	0.00	59583		59583	0.00	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Sinto Investment Company Limited		1	59583			59583	0.00	59583		59583	0.00	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Tata Consumer Products Limited		1	59583			59583	0.00	59583		59583	0.00	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Promoter Group		1	59583			59583	0.00	59583		59583	0.00	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Sub Total (A)(i)		8	1540885009			1540885009	46.39	1540885009	3900294	1544785303	45.81	0	46.39	231333871	15.01	28062500	1.82	1540885009
(ii)	Trust																		
	(i) Sir Ratan Tata Trust																		
	Mr. R.N. Tata																		
	Mr. V. Srinivasan																		
	Mr. V. Singh																		
	Mr. J.N. Tata																		
	Mr. R.K. Krishna Kumar																		
	Mr. N.N. Tata																		
	Mr. Jehangir H.C. Jehangir																		
	(ii) Sir Dorabji Tata Trust																		
	Mr. R.N. Tata																		
	Mr. V. Srinivasan																		
	Mr. V. Singh																		
	Mr. R.K. Krishna Kumar																		
	Mr. Pranit Jhaveri																		
	(iii) J R D Tata Trust																		
	Mr. R.N. Tata																		
	Mr. V. Srinivasan																		
	Mr. V. Singh																		
	(iv) Lady Tata Memorial Trust																		
	Mr. F.K. Kavarana																		
	Dr. P.B. Desai																		
	Dr. M. Chandu																		
	Sub Total (A)(ii)		8	1540885009			1540885009	46.39	1540885009	3900294	1544785303	45.81	0	46.39	231333871	15.01	28062500	1.82	1540885009
	Sub Total (A)(i + ii)																		
2	Foreign																		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)																		
(b)	Government																		
(c)	Institutions																		
(d)	Foreign Portfolio Investor																		
(e)	Any Other (Specify)																		
	Sub Total (A)(2)																		
	Total Shareholding Of Promoter And Promoter Group (A)=(A)(i)+(A)(2)																		

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

(1) PAN would not be displayed on website of Stock Exchanges)

(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Tata Motors Limited - Ordinary Shares

Table III - Statement showing shareholding pattern of the Public shareholder

Sl. No.	Category & Name of the shareholders	PAN	(i)	(ii)	(iii)	(iv)	(v)	(vi) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked In shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares					
										No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		Sub-category\ j	Sub-under category\ j, j)	Sub-category\ category\ j, j)			
										Class eg: X	Class eg: Y												Total		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)
1	Institutions (Domestic)																								
(a)	Mutual Fund																								
44	288658951																								
1	Sbi Nifty 50 Etf																								
(b)	Venture Capital Funds																								
(c)	Alternate Investment Funds																								
21	2881555																								
(d)	Banks																								
47	1212339																								
(e)	Insurance Companies																								
34	263251667																								
(f)	Life Insurance Corporation Of India																								
1	168437256																								
(g)	Provident Funds/ Pension Funds																								
1	20970948																								
(h)	Asset Reconstruction Companies																								
2	2760004																								
(i)	NBFCs registered with RBI																								
9	27190																								
(j)	Other Financial Institutions																								
2	1750																								
(k)	Any Other (Specify)																								
160	579764404																								
2	Sub Total B(1)																								
(a)	Institutions (Foreign)																								
(a)	Foreign Direct Investment																								
0	0																								
(b)	Foreign Venture Capital Investors																								
0	0																								
(c)	Sovereign Wealth Funds																								
698	578055341																								
(d)	Foreign Portfolio Investors Category I																								
1	35370975																								
(e)	Government Of Singapore																								
53	10649207																								
(f)	Foreign Portfolio Investors Category II																								
3	45725077																								
(g)	Overseas Depositories(holding DRs) (balancing figures)																								
1	45704827																								
(h)	Citibank N.A. New York, Ny:rd Department																								
35	26340																								
(i)	Any Other (Specify)																								
31	24290																								
(j)	Foreign Institutional Investors																								
4	2050																								
(k)	Foreign bank																								
789	588730888																								
(l)	Sub Total B(2)																								
3	Central Government/ State Government(s)																								
(a)	Central Government / President of India																								
6	2011950																								
(b)	State Government / Governor																								
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter																								
7	2028450																								
(d)	Sub Total B(3)																								
4	Non-Institutions																								
(a)	Associate companies / Subsidiaries																								
0	0																								
(b)	Directors and their relatives (excluding Independent Directors and nominee Directors)																								
4	263582																								
(c)	Key Managerial Personnel																								
1	103820																								
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)																								
0	0																								
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'																								
0	0																								
(f)	Investor Education and Protection Fund (IEPF)																								
3441898	416715048																								
(g)	i. Resident individual holding nominal share capital up to Rs. 2 lakhs.																								
49	87873017																								
(h)	ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs.																								
	52256000																								
	Rekha Rakesh Jhunjhunwala																								
(i)	Non Resident Indians (NRIs)																								
34318	23797715																								

the above

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

1) PAN would not be displayed on website of Stock Exchange(s).

- (i) PAN would not be displayed on website of Stock Exchange(s).
(ii) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII)is not applicable in the above format.
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
(4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the above format.
(5) Sub-categorization of shares under column no.(XV) will be based on shareholding(no. of shares)under the following sub-categories:
(i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative(i.e. Director)on the board of the listed entity.
(ii) Shareholder who have entered into shareholder agreement with the listed entity.
(iii) Shareholders acting as persons in concert with promoters.

Tata Motors Limited - Ordinary Shares

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights		Total as a % of (A+B+C)	No. (a)			As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		
								Class eg: X	Class eg: Y								No. (a)	
								(I)	(II)	(III)	(IV)			(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	
1	Custodian/DR Holder		0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	0	0	
	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021		0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	0	0	
2	Total Non-Promoter- Non Public Shareholding (C)= (C1)+(C2)		0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	0	0	

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



Table V- Statement showing details of significant beneficial owners

Sr.No	Details of the significant beneficial owner (I)				Details of the registered owner (II)			Particulars of the shares in which significant beneficial interest is held by the beneficial owner (III)		Date of creation / acquisition of significant beneficial interest (IV)
	Name	PAN	Nationality		Name	PAN	Nationality	Number of shares	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	
	NIL									

Note: Tata Sons Private Limited ('TSPL') being core investment company as an investment vehicle is exempt from the Companies (Significant Beneficial Owners) Rules, 2018, on the investment made by TSPL.



Annexure B

Table VI - Statement showing foreign ownership limits

	Board approved limits	Limits utilized
As on shareholding date [30.06.2023]	35%	19.82%
As on the end of previous 1st quarter	35%	17.65%
As on the end of previous 2nd quarter	35%	18.93%
As on the end of previous 3rd quarter	35%	19.78%
As on the end of previous 4th quarter	35%	19.41%



Pre Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.	Name of Listed Entity: Tata Motors Limited - 'A' Ordinary Shares
2.	Scrip Code/Name of Scrip/Class of Security: 570001
3.	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)
	a. If under 31(1)(b) then indicate the report for Quarter ending: June 30, 2023
	b. If under 31(1)(c) then indicate date of allotment/extinguishment
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-

	Particulars	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?		No
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No
6	Whether company has equity shares with differential voting rights?		No

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



Tata Motors Limited - 'A' Ordinary Shares

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: Y	(IX) As a % of (A+B+C2)								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)			(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)	(XIII)		(XIV)		
(A)	Promoter & Promoter Group	3	39002948	0	0	39002948	7.67	3900294	0	3900294	7.67	7.67	0	0	0	39002948		
(B)	Public	463963	469499948	0	0	469499948	92.33	46949988	0	46949988	92.33	92.33	0	0	0	469387978		
(C)	Non Promoter - Non Public				0	0	0.00	0	0	0	0.00	0.00	0	0	0	0		
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0.00	0	0	0	0		
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00	0.00	0	0	0	0		
	Total	463966	508502896	0	0	508502896	100.00	50850282	0	50850282	100.00	100.00	0	0	0	508390926		



Tata Motors Limited - 'A' Ordinary Shares

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the shareholders		Entity Type	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
										No of Voting Rights			Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
										Class eg: X	Class eg: Y	Total								
(i)											(ix)			(x)	(xi)=(vii)+(x) As a % of (A+B+C2)	(xii)		(xiii)		(xiv)
(ii)																				
1	Indian																			
(a)	Individuals / Hindu Undivided Family				0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(b)	Central Government / State Government(s)				0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(c)	Financial Institutions / Banks				0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(d)	Any Other (Specify)				3	39002948	0	0	39002948	7.67	3900294	0	3900294	7.67	7.67	0	0	0	0	39002948
	Bodies Corporate				3	39002948	0	0	39002948	7.67	3900294	0	3900294	7.67	7.67	0	0	0	0	39002948
	Tata Sons Private Limited	Promoter Group			1	38511281	0	0	38511281	7.57	3851128	0	3851128	7.57	7.57	0	0	0	0	38511281
	Ewart Investments Limited	Promoter Group			1	440645	0	0	440645	0.09	44064	0	44064	0.09	0.09	0	0	0	0	440645
	The Tata Power Company Limited	Promoter Group			1	51022	0	0	51022	0.01	5102	0	5102	0.01	0.01	0	0	0	0	51022
	Sub Total (A)(1)				3	39002948	0	0	39002948	7.67	3900294	0	3900294	7.67	7.67	0	0	0	0	39002948
2	Foreign																			
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)				0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0	0
(b)	Government				0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0	0
(c)	Institutions				0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0	0
(d)	Foreign Portfolio Investor				0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0	0
(e)	Any Other (Specify)				0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0	0
	Sub Total (A)(2)				0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0	0
	Total Shareholding Of Promoter And Promoter Group (A)=(A)(1)+(A)(2)				3	39002948	0	0	39002948	7.67	3900294	0	3900294	7.67	7.67	0	0	0	0	39002948



Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :
(1) PAN would not be displayed on website of Stock Exchange(s)
(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Tata Motors Limited - 'A' Ordinary Shares

Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (V) = (IV)+(V)+ (VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialised form	Sub-categorization of shares				
								No of Voting Rights						No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		No. (a)	As a % of total Shares held(b)	Sub-category(i)	Sub-under(ii)	Sub-category(iii)
								Class eg: X	Class eg: Y	Total													
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) As a % of (A+B+C2)	(viii) As a % of (A+B+C2)	(ix)			(x)	(xi) = (vii)+(x) As a % of (A+B+C2)	(xii)	(xiii)	(xiv)	(xv)							
1	Institutions (Domestic)																						
(a)	Mutual Fund	14	146543228	0	0	146543228	28.82	14654322	0	14654322	28.82	0	28.82	0	0	0	146543228	0	0	0			
	ICICI Prudential Equity & Debt Fund	1	98377219	0	0	98377219	19.35	9837721	0	9837721	19.35	0	19.35	0	0	0	98377219	0	0	0			
	SBI Long Term Equity Fund	1	8659532	0	0	8659532	1.71	865953	0	865953	1.71	0	1.71	0	0	0	8659532	0	0	0			
	Franklin India Flexi Cap Fund	1	7700000	0	0	7700000	1.51	770000	0	770000	1.51	0	1.51	0	0	0	7700000	0	0	0			
	UTI - Hybrid Equity Fund	1	7528050	0	0	7528050	1.48	752805	0	752805	1.48	0	1.48	0	0	0	7528050	0	0	0			
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(c)	Alternate Investment Funds	8	1297465	0	0	1297465	0.26	129746	0	129746	0.26	0	0.26	0	0	0	1297465	0	0	0			
(d)	Banks	2	170	0	0	170	0.00	17	0	17	0.00	0	0.00	0	0	0	170	0	0	0			
(e)	Insurance Companies	5	4997565	0	0	4997565	0.98	499756	0	499756	0.98	0	0.98	0	0	0	4997565	0	0	0			
(f)	Provident Funds/ Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(g)	Asset Reconstruction Companies	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(h)	Sovereign Wealth Funds	2	9657431	0	0	9657431	1.90	965743	0	965743	1.90	0	1.90	0	0	0	9657431	0	0	0			
	Post Office Life Insurance Fund	1	6971870	0	0	6971870	1.37	697187	0	697187	1.37	0	1.37	0	0	0	6971870	0	0	0			
(i)	NBFCs registered with RBI	5	2310770	0	0	2310770	0.45	231077	0	231077	0.45	0	0.45	0	0	0	2310770	0	0	0			
(j)	Other Financial Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(k)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(l)	Sub Total (B)(1)	36	164806629	0	0	16480661	32.41	16480661	0	16480661	32.41	0	32.41	0	0	0	164806629	0	0	0			
2	Institutions (Foreign)																						
(a)	Foreign Direct Investment	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(b)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(c)	Sovereign Wealth Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(d)	Foreign Portfolio Investors Category I	101	94663730	0	0	94663730	18.62	9466373	0	9466373	18.62	0	18.62	0	0	0	94663730	0	0	0			
	Vanguard Emerging Markets Stock Index Fund, A \$	1	16637869	0	0	16637869	3.27	1663786	0	1663786	3.27	0	3.27	0	0	0	16637869	0	0	0			
	Government Pension Fund Global	1	15524589	0	0	15524589	3.05	1552458	0	1552458	3.05	0	3.05	0	0	0	15524589	0	0	0			
	Government Of Singapore	1	7704084	0	0	7704084	1.52	770408	0	770408	1.52	0	1.52	0	0	0	7704084	0	0	0			
	Franklin Templeton Investment Funds	1	7627359	0	0	7627359	1.50	762735	0	762735	1.50	0	1.50	0	0	0	7627359	0	0	0			
(e)	Foreign Portfolio Investors Category II	4	121688	0	0	121688	0.02	12168	0	12168	0.02	0	0.02	0	0	0	121688	0	0	0			
	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(f)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(g)	Sub Total (B)(2)	105	94785418	0	0	94785418	18.64	9478541	0	9478541	18.64	0	18.64	0	0	0	94785418	0	0	0			
3	Central Government/ State Government(s)																						
(a)	Central Government / President of India	1	40317	0	0	40317	0.01	4031	0	4031	0.01	0	0.01	0	0	0	40317	0	0	0			
(b)	State Government / Governor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
	Shareholding by Companies or Bodies																						
	Corporate where Central / State Government is a promoter	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(C)	Sub Total (B)(3)	1	40317	0	0	40317	0.01	4031	0	4031	0.01	0	0.01	0	0	0	40317	0	0	0			
4	Non-institutions																						
(a)	Associate companies / Subsidiaries	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
	Directors and their relatives (excluding Independent Directors and nominee Directors)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(b)	Key Managerial Personnel	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			
(C)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0			

Note : _____

(i) PAN would not be displayed on website of Stock Exchange(s).

(ii) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.

(iii) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

(iv) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the above format.

(v) Sub-categorization of shares under column no.(XV) will be based on shareholding(no. of shares) under the following sub-categories:

(i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative(i.e. Director)on the board of the listed entity.

(ii) Shareholder who have entered into shareholder agreement with the listed entity.

(iii) Shareholder who have entered into shareholder agreement with the listed entity.

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

- (1) PAN would not be displayed on website of Stock Exchanges).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the above format. If a shareholder is falling under more than one category, then the same shall be disclosed in all the categories.
- (5) Sub-categorization of shares under column no.(XV) will be based on shareholder(Ino. of shares)under the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative(I.e. Director)on the board of the listed entity.
 - (ii) Shareholder who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholder who have entered into shareholder agreement with the listed entity.

Tata Motors Limited - 'A' Ordinary Shares

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

	Category & Name of the shareholders	PAN	Nos. of sharehold ers	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlyin g Outstanding convertible securities (including diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateria lised form	
									No of Voting Rights			Total as a % of (A+B+C)		No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		
									Class eg: X	Class eg: y	Total								
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)				(x)	(xi)= (vii)+(x) As a % of (A+B+C2)	(xii)		(xiii)		(xiv)	
1	Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
2	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total Non-Promoter- Non Public Shareholding (C)= (C(1)+(C(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



Table V- Statement showing details of significant beneficial owners

Sr.No	Details of the significant beneficial owner (I)				Details of the registered owner (II)			Particulars of the shares in which significant beneficial interest is held by the beneficial owner (III)		Date of creation / acquisition of significant beneficial interest (IV)
	Name	PAN	Nationality		Name	PAN	Nationality	Number of shares	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	
	Nil									

Tata Sons Private Limited (TSPL) being core investment company as an investment vehicle is exempt from the Companies (Significant Beneficial Owners) Rules, 2018, on the investment made by TSPL.



Annexure B

Table VI - Statement showing foreign ownership limits

	Board approved limits	Limits utilized
As on shareholding date [30.06.2023]	75%	20.17%
As on the end of previous 1st quarter	75%	18.41%
As on the end of previous 2nd quarter	75%	17.89%
As on the end of previous 3rd quarter	75%	18.67%
As on the end of previous 4th quarter	75%	18.33%



Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015				
1.	Name of Listed Entity: Tata Motors Limited - Ordinary Shares			
2.	Scrip Code/Name of Scrip/Class of Security: 500570			
3.	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)			
	a.	If under 31(1)(b) then indicate the report for Quarter ending: -		
	b.	If under 31(1)(c) then indicate date of allotment/extinguishment		
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-			
		Particulars	Yes*	No*
1		Whether the Listed Entity has issued any partly paid up shares?	Yes	
2		Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3		Whether the Listed Entity has any shares against which depository receipts are issued?	Yes	
4		Whether the Listed Entity has any shares in locked-in?	Yes	
5		Whether any shares held by promoters are pledge or otherwise encumbered?	Yes	
6		Whether company has equity shares with differential voting rights?	Yes	

Tata Motors Limited - Ordinary Shares

Table 1 - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights	Total as a % of (A+B+C)	No. (a)			As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+ (vi)	(viii) As a % of (A+B+C2)	(ix)	(x)	(xi)=[(vii)+(x) / (A+B+C2)]	(xii)	(xiii)	(xiv)				
(A)	Promoter & Promoter Group	8*	1568187072	0	0	1568187072	42.64	1568187072	42.64	0	42.64	231333871	14.75	28062500	1.79	1568187072	
(B)	Public	3502400*	2109254967	570	45725077**	2109255537	57.36	2109255537	57.36	0	53.61	0	0.00	NA	NA	1766916461	
(C)	Non Promoter - Non Public				0	0				0			0.00	NA	NA		
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
Total		3502408*	3677442039	570	45725077**	3677442609	100.00	3677442609	100.00	0	100.00	231333871	6.29	28062500	0.76	3307801470	

* There are several common shareholders under Ordinary and A Ordinary category as on date, hence the Company will not be in a position to specify the exact number of shareholders post implementation of the Scheme. Hence the numbers specified herein are the Ordinary Shareholders as on June 30, 2023.

**The Company has voluntarily delisted the American Depositary Shares (the "ADSs"), representing Ordinary Shares of the Company, from the New York Stock Exchange (the "NYSE"), effective close of trading on the NYSE on January 23, 2023. As a consequence of the delisting becoming, the ADSs have stopped trading on NYSE and no over-the-counter market trading of the ADSs in the United States is now allowed due to regulatory restrictions under Indian law. The ADSs holders had surrendered their ADSs to the Depository in exchange for the underlying Ordinary Shares of the Company on or before July 24, 2023. The Depository have sold the underlying Ordinary Shares on the Indian stock exchanges held on deposit upon the terms described in the notice of termination of ADS facility as provided for in the Deposit Agreement. Since the Scheme would become effective on a date subsequent to the sale of underlying shares by the Depository, hence the Underlying depository receipts post Note Pursuant to preferential issuance of shares and thereafter conversion of warrants into ordinary shares, 231,333,871 Ordinary shares of the Promoters of the Company is under lock in upto February 26, 2024, which is likely to be released post NCLT approval to the Scheme.

Tata Motors Limited - Ordinary Shares

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Sr NO	Category & Name of the shareholders	Entity Type	Nos. of shareh olders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underl ying Deposi tory Receipt s	(VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlyi ng Outstand ing converti ble securitie s (includin g Warrants)	Sharehold ing , as a % assuming full conversio n of convertibl e securities (as a % of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights	Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
(i)			(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)	(x)	(xi)= (vii)+(x) As a % of (A+B+C2)	(xii)	(xiii)	(xiv)			
1	Indian																
(a)	Individuals / Hindu Undivided Family		0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Central Government / State Government(s)		0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions / Banks		0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other (Specify)		8	1568187072	0	0	1568187072	42.64	1568187072	42.64	0	42.64	231333871	14.75	28062500	1.79	1,56,81,87,072
(i)	Bodies Corporate		8	1568187072	0	0	1568187072	42.64	1568187072	42.64	0	42.64	231333871	14.75	28062500	1.79	1,56,81,87,072
	Tata Sons Private Limited	Promoter	1	1479071697	0	0	1479071697	40.22	1479071697	40.22	0	40.22	231333871	15.64	28062500	1.90	1479071697
	Tata Industries Limited	Promoter Group	1	72203630	0	0	72203630	1.96	72203630	1.96	0	1.96	0	0.00	0	0.00	72203630
	Tata Investment Corporation Limited	Promoter Group	1	11000000	0	0	11000000	0.30	11000000	0.30	0	0.30	0	0.00	0	0.00	11000000
	Ewart Investments Limited	Promoter Group	1	3392994	0	0	3392994	0.09	3392994	0.09	0	0.09	0	0.00	0	0.00	3392994
	Tata Chemicals Limited	Promoter Group	1	1966294	0	0	1966294	0.05	1966294	0.05	0	0.05	0	0.00	0	0.00	1966294
	The Tata Power Company Limited	Promoter Group	1	392874	0	0	392874	0.01	392874	0.01	0	0.01	0	0.00	0	0.00	392874
	Tata Steel Limited	Promoter Group	1	100000	0	0	100000	0.00	100000	0.00	0	0.00	0	0.00	0	0.00	100000
	Sinto Investment Company Limited	Promoter Group	1	59583	0	0	59583	0.00	59583	0.00	0	0.00	0	0.00	0	0.00	59583
	Tata Consumer Products Limited	Promoter Group	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub Total (A)(i)		8	1,56,81,87,072	0	0	1,56,81,87,072	42.64	1,56,81,87,072	42.64	0	42.64	231333871	14.75	28062500	1.79	1,56,81,87,072
(ii)	Trust		0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
	(i) Sir Ratan Tata Trust Mr. R.N. Tata Mr. V. Srinivasan Mr. V. Singh Mr. J.N. Tata Mr. R.K. Krishna Kumar Mr. N.N. Tata Mr. Jehangir H.C. Jehangir	Promoter Trust	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0

[illegible]

Tata Motors Limited - Ordinary Shares

Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	Nos. of sharehold-ers	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Sharehold- ing, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialise d form	Sub-categorization of shares		
							No of Voting Rights	Total as a % of Total Voting Rights Class eg: X			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		Sub- category (i)	Sub- category (ii)	Sub- category (iii)
(i)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)					
1	Institutions (Domestic)																	
(a)	Mutual Fund	44	391239211	0	0	10.64	391239211	10.64	0	10.64	0	0	0	0	391179171	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(c)	Alternate Investment	21	3789781	0	0	0.10	3789781	0.10	0	0.10	0	0	0	0	3789781	0	0	0
(d)	Banks	47	1212458	0	0	0.03	1212458	0.03	0	0.03	0	0	0	0	1028783	0	0	0
(e)	Insurance Companies	34	266749963	0	0	7.25	266749963	7.25	0	7.25	0	0	0	0	266749163	0	0	7847859
(f)	Provident Funds/ Pension Funds	1	20970948	0	0	0.57	20970948	0.57	0	0.57	0	0	0	0	20970948	0	0	0
(g)	Asset Reconstruction Companies	0	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(h)	Sovereign Wealth Funds	2	9520206	0	0	0.26	9520206	0.26	0	0.26	0	0	0	0	9520206	0	0	0
(i)	NBFCs registered with RBI	9	1644730	0	0	0.04	1644729	0.04	0	0.04	0	0	0	0	1644730	0	0	0
(j)	Other Financial Institutions	2	1750	0	0	0.00	1750	0.00	0	0.00	0	0	0	0	0	0	0	0
(k)	Any Other (Specify)	0	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0	0	0
	Sub Total (B)(1)	160	695129044	0	0	18.90	695129044	18.90	0	18.90	0	0	0	0	694882782	0	0	0
2	Institutions (Foreign)																	
(a)	Foreign Direct Investment	0	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(b)	Foreign Venture Capital Investors	0	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(c)	Sovereign Wealth Funds	0	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investors Category I	698	644319952	0	0	17.52	644319952	17.52	0	17.52	0	0	0	0	644319952	0	0	0
(e)	Foreign Portfolio Investors Category II	53	10734389	0	0	0.29	10734389	0.29	0	0.29	0	0	0	0	10734389	0	0	0

	Overseas Depositories (holding DRs) (balancing figure)	3	0	0	45725077	45725077	1.24	45725077	1.24	0	1.24	0	0	NA	NA	45704827	0	0	0
(f)	Any Other (Specify)	35	26340	0	0	26340	0.00	26340	0.00	0	0.00	0	0	NA	NA	2210	0	0	0
(g)	Sub Total (B)(2)	789	655080681	0	45725077	700805758	19.06	700805758	19.06	0	19.06	0	0	NA	NA	700761378	0	0	0
3	Central Government/ State Government(s)										0.00								
(a)	Central Government / President of India	1	44722	0	0	44722	0.00	44722	0.00	0	0.00	0	0	NA	NA	16500	0	0	0
(b)	State Government / Governor	6	2011950	0	0	2011950	0.05	2011950	0.05	0	0.05	0	0	NA	NA	1973945	0	0	0
	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0	NA	NA	0			
(C)	Sub Total (B)(3)	7	2056672	0	0	2056672	0.06	2056672	0.06	0	0.06	0	0	NA	NA	1990445	0	0	0
4	Non-Institutions																		
(a)	Associate companies / Subsidiaries	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0	NA	NA	0			
	Directors and their relatives (excluding Independent Directors and nominee Directors)	4	263582	0	0	263582	0.01	263582	0.01	0	0.01	0	0	NA	NA	263582	0	0	0
(b)	Key Managerial Personnel	1	103820	0	0	103820	0.00	103820	0.00	0	0.00	0	0	NA	NA	103820	0	0	0
(C)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0	NA	NA	0			
(D)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'																		
(E)	Investor Education and Protection Fund (IEPF)	1	5593834	0	0	5593834	0.15	5593834	0.15	0	0.15	0	0	NA	NA	5593834	0	0	0
(f)	i. Resident individual holding nominal share capital up to Rs. 2 lakhs.	3441898	502957971	570	0	502957401	13.68	502957401	13.68	0	13.68	0	0	NA	NA	491747841	0	0	0

(h)	ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs.	49	120818075	0	0	120818075	3.29	120818075	3.29	0	3.29	0	0	NA	NA	120709710	0	0	0
(i)	Non Resident Indians (NRIs)	34318	29226720	0	0	29226720	0.79	29226720	0.79	0	0.79	0	0	NA	NA	27411488	0	0	0
(j)	Foreign Nationals	11	22265	0	0	22265	0.00	22265	0.00	0	0.00	0	0	NA	NA	22265	0	0	0
(k)	Foreign Companies	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0	NA	NA	0	0	0	0
(l)	Bodies Corporate	3707	30914211	0	0	30914211	0.84	30914211	0.84	0	0.84	0	0	NA	NA	30702266	0	0	0
(m)	Any Other (Specify)	21455	21363585	0	0	21363585	0.58	21363585	0.58	0	0.58	0	0	NA	NA	21348795	0	0	0
	Trusts	101	3161205	0	0	3161205	0.09	3161205	0.09	0	0.09	0	0	NA	NA	3159455	0	0	0
	Body Corp-Ltd Liability	309	3858499	0	0	3858499	0.10	3858499	0.10	0	0.10	0	0	NA	NA	3858499	0	0	0
	Hindu Undivided Family	21012	13868201	0	0	13868201	0.38	13868201	0.38	0	0.38	0	0	NA	NA	13855161	0	0	0
	Unclaimed Shares	1	920	0	0	920	0.00	920	0.00	0	0.00	0	0	NA	NA	920	0	0	0
	Clearing Member	31	474561	0	0	474561	0.01	474561	0.01	0	0.01	0	0	NA	NA	474561	0	0	0
	Other Directors / Relatives		200	0	0	200	0.00	200	0.00	0	0.00	0	0	NA	NA	200	0	0	0
	Sub Total (B)(4)	3501444	711264063	570	0	711263493	19.34	711263493	19.34	0	19.34	0	0	NA	NA	697903601	0	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+(B)(4)	3502400	2,06,35,29,890	570	45725077*	2109255537	57.36	2109255537	57.36	0	57.36	0	0	NA	NA	2095538206	0	0	0

** excluded while totaling public since it will be delisted and no Ordinary shares will be allotted to them

Tata Motors Limited - Ordinary Shares

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

	Category & Name of the shareholders	Nos. of sharehold- ers	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlyin g Depositor y Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateria- lised form
								No of Voting Rights		Total as a % of (A+B+C)	No. (a)			As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		
								Class eg: X	Class eg: Y									
	(i)	(ii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)				(x)	(xi)= (vii)+(x) As a % of (A+B+C2)	(xii)		(xiii)		(xiv)
1	Custodian/DR Holder	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	NA	0
	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021																	
2	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	NA	0

Table V- Statement showing details of significant beneficial owners

Sr .No	Details of the significant beneficial owner (I)			Details of the registered owner (II)			Particulars of the shares in which significant beneficial interest is held by the beneficial owner (III)		Date of creation / acquisition of significant beneficial interest (IV)
	Name	PAN	Nationality	Name	PAN	Nationality	Number of shares	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	

Annexure B

Table VI - Statement showing foreign ownership limits

	Board approved limits	Limits utilized
As on shareholding date [30.06.2023]	35%	19.82%
As on the end of previous 1st quarter	35%	17.65%
As on the end of previous 2nd quarter	35%	18.93%
As on the end of previous 3rd quarter	35%	19.78%
As on the end of previous 4th quarter	35%	19.41%



DCS/AMAL/PB/R37/3015/2023-24

December 20, 2023

The Company Secretary,
Tata Motors Limited
 Bombay House, 24 Homi Mody Street,
 Mumbai, Maharashtra, 400001

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement between Tata Motors Limited and its Shareholders and Creditors

We are in receipt of Scheme of Arrangement between Tata Motors Limited and its Shareholders and Creditors filed by Tata Motors Limited as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS_Div/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated December 20, 2023 has inter alia given the following comment(s) on the draft scheme of Amalgamation & Arrangement along with the comments received from RBI;

Sebi comments in accordance with Regulation 37(1) of SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

- a. "The proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015"
- b. "Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- c. "Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- d. "The entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by the regulators/ authorities/ tribunal"
- e. "Company shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular dated June 20, 2023."
- f. "Company is advised that the information pertaining to all the Unlisted Companies involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."

Page 1 of 4

- g. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- h. "Company is advised to disclose:
- (i) Need and rationale for the reduction of 'A' Ordinary Share Capital of the TML
 - (ii) Effect of the scheme on the equity shareholders of TML
 - (iii) Brief on salient features and benefits of the scheme
 - (iv) Details of Tax Liabilities arising out of the reduction of capital to the TML and to shareholders holding 'A' Ordinary shares
 - (v) Rationale for setting up Trust to transfer of Consideration to the relevant shareholders
 - (vi) Detailed process involved in calculation of actual number of shares to be allotted to relevant shareholders by Trust after meeting the tax liabilities along with illustrations
 - (vii) TML to provide a pictorial/ diagrammatic presentation of the proposed process of allotment of shares to relevant shareholders for better understanding of proposed scheme by shareholders

as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter."

- i. "Company shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."
- j. "Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only."
- k. "Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."
- l. "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
- m. "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
- n. "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
- o. "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft

scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

SEBI comments in accordance with Regulation 59A (1) of SEBI LODR Regulations read with SEBI Circular dated November 17, 2022

- p. "The entities involved in the proposed scheme shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per the provisions of Chapter XII of the Operational Circular dated July 29, 2022."
- q. "The listed entity involved in the proposed scheme shall include the information pertaining to the unlisted entity in the format specified in abridged prospectus as provided in Part B of Schedule I of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered Merchant Banker after following the due diligence process."
- r. "The entities involved in the proposed scheme shall have complied with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.



Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

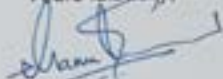
Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the

Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Manu Thomas
Additional General Manager



Tanmayi Lele
Assistant Manager



National Stock Exchange Of India Limited

Ref: NSE/LIST/36808_I

December 21, 2023

The Company Secretary
Tata Motors Limited
Bombay House,
24 Homi Mody Street,
Mumbai- 400001

Kind Attn.: Mr. Maloy Kumar Gupta

Dear Sir,

Sub: Observation Letter for draft scheme of arrangement of Tata Motors Limited and its shareholders and creditors under section 230 to Section 232 and other applicable provisions of the Companies Act, 2013.

We are in receipt of draft scheme of arrangement of Tata Motors Limited and its shareholders and creditors under section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 vide application dated August 03, 2023.

Based on our letter reference no. NSE/LIST/36808 dated November 15, 2023, submitted to SEBI pursuant to SEBI Master Circulars dated June 20, 2023 and November 17, 2022 read with Regulation 37, 59A, 94(2) & 94A (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) SEBI vide its letter dated December 20, 2023, has inter alia given the following comment(s) on the draft scheme of arrangement:

Comments under Regulation 37(1) of SEBI Master Circular dated June 20, 2023

- a) *The Company shall ensure that proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- b) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- c) *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Company and the Stock Exchanges.*
- d) *The Company shall ensure that no changes shall be made to the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchanges, except those mandated by the regulators/authorities/tribunals.*

This Document is Digitally Signed

Signer: DIPTI VIPIL CHINCHKEDE
Date: Thu, Dec 21, 2023 15:20:50 IST
Location: NSE





- e) The Company shall ensure compliance with the SEBI circulars issued from time to time. The Company shall duly comply with various provisions of the SEBI Master Circular dated June 20, 2023.
- f) The Company shall ensure that information pertaining to all the Unlisted Companies involved in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.
- g) The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.
- h) The Company shall disclose the following as a part of the explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter.
- i Need and rationale for the reduction of 'A' Ordinary Share Capital of the TML.
 - ii Effect of the scheme on the equity shareholders of TML.
 - iii Brief on salient features and benefits of the scheme.
 - iv Details of Tax Liabilities arising out of the reduction of capital to the TML and to shareholders holding 'A' Ordinary Shares.
 - v Rationale for setting up Trust for transfer of Consideration to the relevant shareholders.
 - vi Detailed process involved in calculation of actual number of shares to be allotted to relevant shareholders by Trust after meeting the tax liabilities along with illustrations.
 - vii TML to provide a pictorial/diagrammatic presentation of proposed process of allotment of shares to relevant shareholders for better understanding of proposed scheme by shareholders.
- i) The Company shall prominently disclose the details of the proposed scheme under consideration as provided to the Stock Exchange in the notice sent to the Shareholders.
- j) The Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.
- k) The Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.
- l) The Company shall ensure that no changes shall be made to the draft scheme except those mandated by the regulators/ authorities/ tribunals without specific written consent of SEBI.
- m) The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.

This Document is Digitally Signed



Signer: DIPTI VIPIL CHINCHKEDE
Date: Thu, Dec 21, 2023 15:20:50 IST
Location: NSE



- n) The Company shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.
- o) The Company shall ensure that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.

Comments in accordance with Regulation 59A of SEBI LODR Regulations read with SEBI Circular dated November 17, 2022.

- p) The Company shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular dated 29 July, 2022.
- q) The Company shall include information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part B of Schedule I of the SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/ NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered merchant banker after following the due diligence process.
- r) The Company shall ensure that the proposed scheme have complied with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) and any other relevant regulations and circulars.
- s) The listed entity shall disclose the No Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in



Signer: DIPTI VIPIL CHINCHHEDE
Date: Thu, Dec 21, 2023 15:20:50 IST
Location: NSE



terms of Regulation 37 and 59A of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from December 21, 2023, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Dipti Chinchkhede
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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Signer: DIPTI VIPIL CHINCHKHEDE
Date: Thu, Dec 21, 2023 15:20:50 IST
Location: NSE



National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra Kurla Complex,
Bandra East,
Mumbai - 400051
Kind Attn: Ms Flora Matmari

September 13, 2023
Sc no. - 17812

Dear Sir,

Ref: Scheme of Arrangement between Tata Motors Limited and its Shareholders and Creditors ('Scheme') as per Regulation 37 and 59A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Sub: 'Report on Complaints' in terms of Para 6 of Part I(A) of Annexure IV to the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Master Circular")

In continuation to our application no.36808 filed with exchange on August 3, 2023 towards the Scheme under Regulation 37 and 59A of Listing Regulations, documents of which were uploaded by NSE on the NSE website viz. www.nseindia.com on August 21, 2023, please find enclosed the Report on Complaints in the format specified in the SEBI Master Circular.

The Report on Complaints is also being uploaded on the website of the Company, i.e. www.tatamotors.com as per the requirement of the said circular.

You are requested to take the above document on record and process our application.

Thanking you,

Yours faithfully,

For Tata Motors Limited

MALLOY
KUMAR
GUPTA
Maloy Kumar Gupta
Company Secretary

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MALLOY KUMAR
GUPTA
Date: 2023.09.13
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Encl: Complaint report



REPORT ON COMPLAINTS

Period of Compliant Report: August 21, 2023 to September 11, 2023

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges/ Securities Exchange Board of India ('SEBI')	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	N.A	N.A	N.A
2.	N.A	N.A	N.A
3.	N.A	N.A	N.A

For Tata Motors Limited

MALLOY
KUMAR
GUPTA

Digitally signed by
MALLOY KUMAR GUPTA
Date: 2023.09.13
14:55:00 +05'30'

Maloy Kumar Gupta
Company Secretary
A24123
September 13, 2023

TATA MOTORS LIMITED

Bombay House 24 Homi Mody Street Mumbai 400 001
Tel: 91 22 6665 8282 Fax 91 22 6665 7799
www.tatamotors.com CIN L28920MH1945PLC004520



REPORT ON COMPLAINTS

Period of Compliant Report: September 14, 2023 to October 4, 2023

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges/ Securities Exchange Board of India ('SEBI')	1
3.	Total Number of complaints/comments received (1+2)	1
4.	Number of complaints resolved	1
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Mr Sunil V M	September 30, 2023	Resolved
2.	N.A	N.A	N.A
3.	N.A	N.A	N.A

For Tata Motors Limited

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GUPTA
Date: 2023.10.13
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Maloy Kumar Gupta
Company Secretary
A24123
October 13, 2023

TATA MOTORS LIMITED

Bombay House 24 Horni Mody Street Mumbai 400 001
Tel: 91 22 6665 8282 Fax 91 22 6665 7799
www.tatamotors.com CIN L28920MH1945PLC004520

BSR & Co. LLP

Chartered Accountants

8th floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411 001, India
Telephone: +91 (20) 6747 7300
Fax: +91 (20) 6747 7100

Independent Auditor's 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") and its joint operation which comprise the standalone balance sheet as at 31 March 2023, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 we have obtained 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.

Recognition of deferred tax asset on unused tax losses

See Note 28 to standalone financial statements

The key audit matter

How the matter was addressed in our audit

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

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

Independent Auditor's Report (Continued)

Tata Motors Limited

As detailed in note 28 of the standalone financial statements, during the year, the Company has recognised deferred tax asset ('DTA') of Rs. 1,615.42 crores on unabsorbed depreciation and long-term capital losses.

The Company's ability to recover the deferred tax assets is assessed by the management at the end of each reporting period which is based on an assessment of the probability that future taxable income will be available against which the carried forward unused tax losses can be utilized.

As per the assessment done by the management and election of tax planning opportunities available with the Company, the management believes that the carried forward unused tax losses will get offset against the capital gains projected by the Company in future years on sale of certain investments in subsidiaries held by the Company.

Thus, auditing the Company's assessment of the recoverability of deferred tax assets is dependent on the Company's ability to generate future taxable gains through sale of these investments. The valuation of these investments is subject to significant judgments and estimates applied by the management. This is considered to be a key audit matter, considering the past history of losses in the Company and complexity of the accounting requirements for recognition of deferred tax assets.

In view of the significance of the matter we applied the following audit procedures in this area to obtain sufficient appropriate audit evidence.

Test of Controls:

We tested the design, implementation and operating effectiveness of key controls over the key inputs and assumptions, used in valuation of its investments proposed to be sold as part of the tax planning opportunities.

Test of details:

- Evaluated the appropriateness of the assumptions applied to key inputs in valuation of the investments.
- Involved independent valuation specialists in testing the appropriateness of the valuation model including evaluating whether the comparable companies considered in the valuation are appropriate
- Performed necessary procedures to verify the accuracy of amounts disclosed in the financial statements and adequacy of disclosures made for compliance with applicable Indian Accounting Standards and accounting principles generally accepted in India

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 auditor's 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.

Independent Auditor's Report (Continued)

Tata Motors Limited

Management's and Board of Directors' Responsibilities 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 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 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors 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 are 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 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

Independent Auditor's Report (Continued)**Tata Motors Limited**

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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.

We communicate with those charged with governance of the Company and such other entity 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 auditor's 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The 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 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 of the Company and its joint operation company incorporated in India as on 31 March 2023, taken on record by the Board of Directors of the respective companies, none of the directors of the companies is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and its joint operation company 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The standalone financial statements disclose the impact of pending litigations as at 31 March 2023 on the financial position of the Company and its joint operation - Refer Note 37 to the standalone financial statements.

Independent Auditor's Report (Continued)

Tata Motors Limited

- b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 49(ii) to the standalone financial statements.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or its joint operation company incorporated in India.
- d (i) The management of the Company and its joint operation company incorporated in India whose financial statements has been audited under the Act has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 48(iv) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and its joint operation company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and its joint operation company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Company and its joint operation company incorporated in India whose financial statements has been audited under the Act has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 48(v) to the standalone financial statements, no funds have been received by the Company and its joint operation company incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company and its joint operation company incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. As stated in Note 21(B)(e) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. The final dividend paid by the joint operation company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the joint operation company during the year is in accordance with Section 123 of the Act.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company and its joint operation company incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

Independent Auditor's Report (Continued)**Tata Motors Limited**

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: We draw attention to Note 35(d) to the standalone financial statements for the year ended 31 March 2023 according to which the managerial remuneration payable to certain non-executive directors of the Company (amounting to Rs. 3.75 crores) and consequently the total managerial remuneration for the financial year (amounting to Rs. 10.14 crores) exceed the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by Rs. 3.28 crores. 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. Further, with respect to the joint operation company included in the standalone financial statements, in our opinion and according to the information and explanations given to us, the provisions of Section 197 of the Act are not applicable to the joint operation company incorporated in India since it is not a public company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP*Chartered Accountants*

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

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Date: 2023.05.12
20:18:44 +05'30'**Shiraz Vastani***Partner*

Place: Mumbai

Date: 12 May 2023

Membership No.: 103334

ICAI UDIN: 23103334BGYMRR6797

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Tata Motors Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for inward goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to employees and companies and made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in or granted any loans, secured or unsecured, to firms, limited liability partnership or any other parties.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

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

Particulars	Loans (Rs. in crores)
Aggregate amount during the year	
Subsidiaries*	80.75
Others	
- Employees	76.48
Balance outstanding as at balance sheet date	
Subsidiaries*	679.30
Others	
- Employees	71.59

**As per the Companies Act, 2013*

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantees or security or granted any advances in the nature of loans during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the receipts have been regular except in case of two wholly-owned subsidiaries outside India where cumulative principal amount of Rs 619 crores and cumulative interest amount of Rs 162 crores which was due for repayment in earlier years has not been collected as at 31 March 2023, since management believes that these amounts are not recoverable as these subsidiaries are in losses and the amounts have been provided for in the financial statements of the Company. Loan amounting to Rs 15 crores has been given to another wholly owned subsidiary which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has given advance in the nature of loans to three suppliers as mentioned below:

Name of the entity	Amount (Rs. Crores)	Remarks
Ganage Pressings Private Limited	5.00	These amounts were due for repayment in earlier years but have not been collected as at 31 March 2023. The Company is in litigation with these parties.
Rojee Tasha Stampings Private Limited	21.00	
Autoline Industries Limited	18.70	These amounts were due for repayment in earlier years but have been collected during the current year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect

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

of loans given except in case of two wholly-owned subsidiaries outside India and two suppliers as reported in para iii(c) above. Further, the Company has not given any advances in the nature of loans to any party during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Related Parties (Rs. in crores)
Aggregate of loans	
- Repayable on demand (A)	35.75
- Agreement does not specify any terms or period of Repayment (B)	-
Total (A+B)	35.75
Percentage of loans	23%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public 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) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, except

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

for Provident fund dues referred to in Note 37 to the standalone financial statements. With regard to the contribution under the Employee's Deposit Linked Insurance Scheme, 1976 (the scheme), the Company has sought exemption from making contribution to the scheme since it has its own Life Cover Scheme. The Company has made an application on August 31, 2020 seeking an extension of exemption from contribution to the Scheme for a period of 3 years, approval of which is awaited.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable. We draw attention to Note 37 to the financial statements which more fully explains the matter regarding nonpayment of provident fund contribution pursuant to Supreme Court judgement dated 28 February 2019.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Gross Demand (Rs. in crore)	Paid under protest (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.46	0.46	1991-92 and 1995-96	High Court
		85.01	85.01	AY 2006-07 to AY 2012-13 and erstwhile Tata Finance Limited matters	Income Tax Appellate Tribunal
		125.49*	59.74	AY 2003-04, AY 2013-14, 2016-2017 and erstwhile Tata Motors Drivelines Limited AY 2016-17	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Duty of excise	42.96	0.15	1991-92 to 1993-94, 2002-03, 2005-06, 2006-07, 2009-10 to 2011-12	High Court
		396.01	17.04	1991-92, 1992-93, 1994-95,	The Custom, Excise

B S R & Co. LLP

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

Name of the statute	Nature of the dues	Gross Demand (Rs. in crore)	Paid under protest (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
				1996-97, 1997-98 and 1999-2000 to 2017-18	and Service Tax Appellate Tribunal
		7.29	0.93	1999-00 to 2017-18	Appellate Authority upto Commissioner's level
Finance Act, 2014	Service tax	1,086.69	10.79	2004-05 to 2013-14	High Court
		166.71	6.57	2004-05 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal
		7.78	0.51	2010-11 to 2016-17	Appellate Authority upto Commissioner's level
Sales Tax	Sales Tax	13.18	-	1995-96	Supreme Court
		281.41	51.13	1984-85 to 1988-89, 1990-91, 1992-93, 2001-02 to 2005-06, 2007-08 to 2016-17	High Court
		373.47	18.43	1986-87, 1989-90, 1996-97, 2002-03 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal
		476.28	38.07	1979-80, 1986-87 and 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
		7.97	3.11	2008-09	High Court

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

Name of the statute	Nature of the dues	Gross Demand (Rs. in crore)	Paid under protest (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Goods and Services Tax	Goods and Services Tax	17.56	0.12	2018-19	The Goods and Services Tax Appellate Tribunal
		14.18	0.56	2017-18 to 2020-21	Appellate Authority upto Commissioner's level

* This includes demand of Rs. 80.25 crores for FY 2022-23 (AY 2003-04) for which the Company has received a favourable order from Commissioner of Income Tax (Appeals) dated 29 March 2023, order giving effect to the order of CIT(A) is awaited by the Company.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanation given to us, in respect of inter-corporate deposits/ loans amounting to Rs 5,398.75 crores which are repayable on demand, such inter-corporate deposits / loans have not been demanded for repayment during the current year, and with respect to these inter-corporate deposits / loans the Company has not defaulted in payment of interest thereon to any lender. In respect of other loans, according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, as at 31 March 2023 we report that the funds raised on short term basis of Rs 11,873.32 crores have been used for long term investment.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

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

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year except that we have been informed about one instance, estimated to aggregate Rs. 6.71 crores, involving certain individuals, authorised service centers and a dealer who benefited from unauthorized redemption of loyalty benefits payments. The Company has recovered Rs. 1.31 crores out of the total amount involved and is in process of recovering the balance amounts
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities,

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

other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) The requirements as stipulated by the provisions of Section 135 (5) are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

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

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Shiraz Vastani

Partner

Place: Mumbai

Date: 12 May 2023

Membership No.: 103334

ICAI UDIN:23103334BGYMRR6797

B S R & Co. LLP

Annexure B to the Independent Auditor's Report on the standalone financial statements of Tata Motors Limited for the year ended 31 March 2023

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 Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Tata Motors Limited ("the Company") and such company incorporated in India under the Act which is its joint operation company as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company and such company incorporated in India which is its joint operation company have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Tata Motors Limited for the year ended 31 March 2023
(Continued)****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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP*Chartered Accountants*

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

SHIRAZ**AZIZ****VASTANI**

Digitally signed by

SHIRAZ AZIZ

VASTANI

Date: 2023.05.12

20:22:54 +05'30'

Shiraz Vastani*Partner*

Place: Mumbai

Date: 12 May 2023

Membership No.: 103334

ICAI UDIN:23103334BGYMRR6797

TATA MOTORS LIMITED
Balance Sheet

(₹ in crores)

		As at March 31,	
		2023	2022
I. ASSETS	Notes		
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3 (b)	11,707.87	11,733.44
(b) Capital work-in-progress	3 (c)	575.65	585.21
(c) Right of use assets	4 (b)	421.27	332.45
(d) Other intangible assets	5 (b)	2,413.18	2,009.87
(e) Intangible assets under development	5 (c)	509.30	882.03
(f) Investments in subsidiaries, joint ventures and associates	6	27,976.80	27,917.45
(g) Financial assets			
(i) Investments	7	1,204.82	1,338.94
(ii) Loans and advances	9	114.40	48.43
(iii) Other financial assets	11	2,405.23	1,992.52
(h) Deferred tax assets (net)	28	1,477.26	-
(i) Non-current tax assets (net)		868.22	777.68
(j) Other non-current assets	13	596.82	662.24
		50,270.82	48,280.26
(2) CURRENT ASSETS			
(a) Inventories	15 (b)	3,027.90	3,718.49
(b) Financial assets			
(i) Investments	8	3,142.96	5,143.08
(ii) Trade receivables	16	2,307.72	2,111.78
(iii) Cash and cash equivalents	18 (b)	1,121.43	2,450.23
(iv) Bank balances other than (iii) above	19	293.22	155.20
(v) Loans and advances	10	132.29	139.37
(vi) Other financial assets	12	255.25	809.51
(c) Other current assets	14	1,219.18	1,091.95
		11,499.95	15,619.61
		61,770.77	63,899.87
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	20	766.02	765.88
(b) Other equity		21,703.83	19,178.27
		22,469.85	19,944.15
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	22	10,445.70	14,102.74
(ii) Lease liabilities		305.26	237.84
(iii) Other financial liabilities	25	414.44	460.37
(b) Provisions	27 (b)	1,588.75	1,474.11
(c) Deferred tax liabilities (net)	28	51.16	173.72
(d) Other non-current liabilities	29	692.08	514.13
		13,497.39	16,962.91
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	23	8,426.74	9,129.91
(ii) Lease liabilities		100.99	58.58
(iii) Trade payables	24		
(a) Total outstanding dues of micro and small enterprises		114.67	146.10
(b) Total outstanding dues of creditors other than micro and small enterprises		7,047.93	5,956.00
(iv) Acceptances		5,839.39	7,883.96
(v) Other financial liabilities	26	1,300.18	1,113.26
(b) Provisions	27 (c)	408.89	608.06
(c) Current tax liabilities (net)		53.66	49.67
(d) Other current liabilities	30	2,511.08	2,047.27
		25,803.53	26,992.81
		61,770.77	63,899.87
TOTAL EQUITY AND LIABILITIES			
		61,770.77	63,899.87

See accompanying notes to financial statements

In terms of our report attached

For and on behalf of the Board

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

SHIRAZ AZIZ VASTANI
Digitally signed by SHIRAZ AZIZ VASTANI
Date: 2023.05.12 20:25:21 +05'30'
SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 23103334BGYMRR6797
Place: Mumbai

Chandrasekaran Natarajan
Digitally signed by Chandrasekaran Natarajan
Date: 2023.05.12 19:33:14 +05'30'
N CHANDRASEKARAN [DIN: 00121863]
Chairman

GIRISH ARUN WAGH
Digitally signed by GIRISH ARUN WAGH
Date: 2023.05.12 18:58:21 +05'30'
GIRISH WAGH [DIN: 03119361]
Executive Director

P B BALAJI
Digitally signed by PATHAMADAI BALACHANDRAN BALAJI
Date: 2023.05.12 19:02:19 +05'30'
P B BALAJI
Group Chief Financial Officer

MALOY KUMAR GUPTA
Digitally signed by MALOY KUMAR GUPTA
Date: 2023.05.12 19:12:34 +05'30'
MALOY KUMAR GUPTA [ACS: 24123]
Company Secretary

Place: Mumbai

Date: May 12, 2023

Date: May 12, 2023

TATA MOTORS LIMITED
Statement of Profit and Loss

(₹ in crores)

		Year ended March 31,	
		2023	2022
	Notes		
Revenue from operations			
Revenue		65,298.84	46,880.97
Other operating revenue		458.49	382.71
I. Total revenue from operations	31 (b)	65,757.33	47,263.68
II. Other Income	32 (b)	820.94	659.91
III. Total Income (I+II)		66,578.27	47,923.59
IV. Expenses			
(a) Cost of materials consumed		42,226.81	31,693.11
(b) Purchases of products for sale		6,561.32	5,030.00
(c) Changes in inventories of finished goods, work-in-progress and products for sale		484.69	(403.87)
(d) Employee benefits expense	33	4,021.63	3,601.51
(e) Finance costs	34	2,047.51	2,121.73
(f) Foreign exchange loss (net)		279.76	136.81
(g) Depreciation and amortisation expense		1,766.86	1,760.57
(h) Product development/Engineering expenses		899.06	593.90
(i) Other expenses	35	7,819.74	6,018.71
(j) Amount transferred to capital and other accounts	36	(1,066.73)	(905.42)
Total Expenses (IV)		65,040.65	49,647.05
V. Profit/(loss) before exceptional items and tax (III-IV)		1,537.62	(1,723.46)
VI. Exceptional items			
(a) Employee separation cost		1.36	8.35
(b) Cost of slump sale of PV undertaking		-	50.00
(c) Provision/reversal for loan given to/investment in/cost of closure of subsidiary companies		4.55	(139.24)
(d) Provision for Intangible assets under development		276.91	-
(e) Others	49 (iii)	-	(2.52)
VII. Profit/(loss) before tax (V-VI)		1,254.80	(1,640.05)
VIII. Tax expense/(credit) (net)	28		
(a) Current tax		81.60	51.18
(b) Deferred tax		(1,554.93)	48.00
Total tax expense/(credit) (net)		(1,473.33)	99.18
IX. Profit/(loss) for the year from continuing operations (VII-VIII)		2,728.13	(1,739.23)
X. Profit/(loss) before tax for the year from discontinued operations	45	-	392.51
XI. Tax expense (net) of discontinued operations	28		
(a) Current tax		-	44.14
(b) Deferred tax		-	-
Total tax expense		-	44.14
XII. Profit for the year after tax from discontinued operations (X-XI)	45	-	348.37
XIII. Profit/(loss) for the year (IX+XII)		2,728.13	(1,390.86)
XIV. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit and loss:			
(a) Remeasurement losses on defined benefit obligations (net)		(61.43)	(57.66)
(b) Equity instruments at fair value through other comprehensive income		(134.12)	371.29
(ii) Income tax credit/(expense) relating to items that will not be reclassified to profit and loss		34.96	(32.33)
(B) (i) Items that will be reclassified to profit and loss - gains/(losses) in cash flow hedges		(99.69)	1.62
(ii) Income tax credit/(expense) relating to items that will be reclassified to profit and loss		9.93	(0.57)
Total other comprehensive income/(loss), net of taxes		(250.35)	282.35
XV. Total comprehensive income/(loss) for the year (XIII+XIV)		2,477.78	(1,108.51)
XVI. Earnings/(loss) per share (EPS)	38		
Earnings/(loss) per share from continuing operations (EPS)			
(A) Ordinary shares (face value of ₹ 2 each) :			
(i) Basic	₹	7.11	(4.54)
(ii) Diluted	₹	7.11	(4.54)
(B) 'A' Ordinary shares (face value of ₹ 2 each) :			
(i) Basic	₹	7.21	(4.54)
(ii) Diluted	₹	7.21	(4.54)
Earnings/(loss) per share from discontinued operations (EPS)			
(A) Ordinary shares (face value of ₹ 2 each) :			
(i) Basic	₹	-	0.90
(ii) Diluted	₹	-	0.90
(B) 'A' Ordinary shares (face value of ₹ 2 each) :			
(i) Basic	₹	-	1.00
(ii) Diluted	₹	-	1.00
Earnings/(loss) per share from continuing and discontinued operations (EPS)			
(A) Ordinary shares (face value of ₹ 2 each) :			
(i) Basic	₹	7.11	(3.63)
(ii) Diluted	₹	7.11	(3.63)
(B) 'A' Ordinary shares (face value of ₹ 2 each) :			
(i) Basic	₹	7.21	(3.63)
(ii) Diluted	₹	7.21	(3.63)

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

SHIRAZ AZIZ
VASTANIDigitally signed by SHIRAZ AZIZ VASTANI
Date: 2023.05.12 20:28:04 +05'30'

SHIRAZ VASTANI

Partner

Membership No. 103334

UDIN: 23103348GYMR6797

Place: Mumbai

Date: May 12, 2023

For and on behalf of the Board

Chandrasekaran
NatarajanDigitally signed by
Chandrasekaran Natarajan
Date: 2023.05.12 19:35:48 +05'30'N CHANDRASEKARAN [DIN: 00121863]
ChairmanGIRISH ARUN
WAGHDigitally signed by
GIRISH ARUN WAGH
Date: 2023.05.12
18:58:48 +05'30'GIRISH WAGH [DIN: 03119361]
Executive DirectorPATHAMADAI
BALACHAND
RAN BALAJIDigitally signed by
PATHAMADAI
BALACHAND RAN BALAJI
Date: 2023.05.12 19:03:18
+05'30'P B BALAJI
Group Chief Financial OfficerMALOY
KUMAR
GUPTADigitally signed by
MALOY KUMAR
GUPTA
Date: 2023.05.12
19:14:53 +05'30'MALOY KUMAR GUPTA [ACS: 24123]
Company Secretary

Place: Mumbai

Date: May 12, 2023

TATA MOTORS LIMITED
Cash Flow Statement

(₹ in crores)

	Year ended March 31,	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Profit/(Loss) for the year from continuing operations	2,728.13	(1,739.23)
Profit for the year from discontinued operations	-	348.37
Adjustments for:		
Depreciation and amortisation expense	1,766.86	2,724.93
Allowances for trade and other receivables	105.12	42.71
Discounting of warranty and other provisions	(128.53)	-
Inventory write down (net)	32.21	25.25
Provision for Intangible assets under development	276.91	-
Provision/(reversal) for loan given to/investment and cost of closure in subsidiary companies/joint venture (net)	4.55	(699.15)
Accrual for share-based payments	20.46	18.04
Profit on sale of assets (net) (including assets scrapped / written off)	(88.47)	(70.95)
Profit on sale of investments at FVTPL (net)	(71.82)	(109.82)
Marked-to-market gain on investments measured at FVTPL	(6.81)	(10.16)
Tax expense/(credit) (net)	(1,473.33)	143.32
Finance costs	2,047.51	2,300.73
Interest income	(245.42)	(323.59)
Dividend income	(187.52)	(80.08)
Unrealized foreign exchange loss (net)	230.40	112.69
	<u>2,282.12</u>	<u>4,073.92</u>
Cash flows from operating activities before changes in following assets and liabilities	5,010.25	2,683.06
Trade receivables	(306.46)	(1,015.62)
Loans and advances and other financial assets	126.28	(245.40)
Other current and non-current assets	(98.21)	(240.50)
Inventories	658.37	(1,201.08)
Trade payables and acceptances	(957.24)	5,285.19
Other current and non-current liabilities	620.22	(56.72)
Other financial liabilities	(88.17)	289.73
Provisions	(21.46)	(60.79)
Cash generated from/(used in) operations	4,943.58	5,437.87
Income taxes paid (net)	(168.15)	(155.94)
Net cash from/(used in) operating activities	4,775.43	5,281.93
Cash flows from investing activities:		
Payments for property, plant and equipments	(761.29)	(1,191.03)
Payments for other intangible assets	(936.07)	(639.64)
Proceeds from sale of property, plant and equipments	122.70	99.57
Investments in Mutual Fund (purchased)/sold (net)	2,078.75	(3,560.47)
Investments in subsidiary companies	(191.18)	(870.91)
Proceeds from sale of defence business	-	234.09
Loan given to subsidiary companies/payment for costs of closure in subsidiary companies	(45.00)	(51.10)
Return of Investment by subsidiary company	131.83	-
(Increase)/decrease in short term inter corporate deposit (net)	(15.00)	30.00
Deposits/restricted deposits with financial institution	(500.00)	(600.00)
Realisation of deposits with financial institution	800.00	1,300.00
Deposits/restricted deposits with banks	(276.64)	(540.87)
Realisation of deposits/restricted deposits with banks	141.78	2,259.30
Interest received	185.27	301.49
Dividend received	187.52	80.08
Net cash generated from/(used in) investing activities	922.67	(3,149.49)

TATA MOTORS LIMITED
Cash Flow Statement

(₹ in crores)

	Year ended March 31,	
	2023	2022
Cash flows from financing activities		
Proceeds from issue of shares and share application pending allotment (net of issue expenses)	19.60	18.61
Proceeds from long-term borrowings	8.99	1,999.79
Repayment of long-term borrowings	(4,808.33)	(3,482.07)
Proceeds/(payment) from Option Settlement of long term borrowings	(106.51)	(97.77)
Proceeds from short-term borrowings	52.35	5,137.27
Repayment of short-term borrowings	(937.10)	(4,936.80)
Net change in other short-term borrowings (with maturity up to three months)	825.77	3,270.78
Repayment of lease liabilities (including interest)	(68.33)	(151.63)
Dividend paid	-	(1.53)
Interest paid [including discounting charges paid, ₹425.37 crores (March 31, 2022 ₹492.62 crores)]	(2,007.76)	(2,272.49)
Net cash from/(used in) financing activities	(7,021.32)	(515.84)
Net increase/(decrease) in cash and cash equivalents	(1,323.22)	1,616.60
Cash and cash equivalents as at April 1, (opening balance)	2,450.23	2,365.54
Cash outflow as a part of slump sale of PV undertaking (refer note 45)	-	(1,200.00)
Adjustment due to conversion of joint operation into joint venture	-	(341.21)
Effect of foreign exchange on cash and cash equivalents	(5.58)	9.30
Cash and cash equivalents as at March 31, (closing balance)	1,121.43	2,450.23
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit	317.14	185.40

In terms of our report attached

For and on behalf of the Board

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

SHIRAZ AZIZ VASTANI
Digitally signed by SHIRAZ AZIZ VASTANI
Date: 2023.05.12 20:31:01 +05'30'

SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 23103334BGYMRR6797
Place: Mumbai

Date: May 12, 2023

Chandrasekaran Natarajan
Digitally signed by Chandrasekaran Natarajan
Date: 2023.05.12 19:36:29 +05'30'
N CHANDRASEKARAN [DIN: 00121863]
Chairman

GIRISH ARUN WAGH
Digitally signed by GIRISH ARUN WAGH
Date: 2023.05.12 18:59:12 +05'30'

GIRISH WAGH [DIN: 03119361]
Executive Director

PATHAMADAI BALACHANDRAN BALAJI
Digitally signed by PATHAMADAI BALACHANDRAN BALAJI
Date: 2023.05.12 19:04:09 +05'30'
P B BALAJI
Group Chief Financial Officer

MALOY KUMAR GUPTA
Digitally signed by MALOY KUMAR GUPTA
Date: 2023.05.12 19:17:35 +05'30'
MALOY KUMAR GUPTA [ACS: 24123]
Company Secretary

Place: Mumbai

Date: May 12, 2023

TATA MOTORS LIMITED
Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

Particulars	(₹ in crores)
Balance as at April 1, 2021	765.81
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	765.81
Issue of shares on exercise of stock options by employees	0.07
Balance as at March 31, 2022	765.88

B. Other Equity (refer note 21)

Particulars	Securities premium	Share based payments reserve	Share application money pending allotment	Capital redemption reserve	Debenture redemption reserve	Capital reserve (on merger)/(sale of business) (net)	Retained earnings	Equity instruments through OCI	Other components of equity Hedging reserve	Cost of hedging reserve	Total other equity
Balance as at April 1, 2021	25,618.63	22.18	-	2.28	904.44	(350.15)	(8,092.95)	287.70	(101.17)	(0.80)	18,290.16
Changes in accounting policies or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	25,618.63	22.18	-	2.28	904.44	(350.15)	(8,092.95)	287.70	(101.17)	(0.80)	18,290.16
Loss for the year	-	-	-	-	-	-	(1,390.86)	-	-	-	(1,390.86)
Remeasurement gain/(loss) on defined benefit obligations (net)	-	-	-	-	-	-	(37.03)	-	-	-	(37.03)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-	(1,427.89)	318.33	87.37	(86.32)	(1,108.51)
Share-based payments	-	18.04	-	-	-	-	-	318.33	87.37	(86.32)	18.04
Money received on exercise of stock options by employees	12.15	-	6.39	-	-	-	-	-	-	-	18.54
Exercise of stock option by employees	1.95	(1.95)	-	-	-	-	-	-	-	-	-
Reduction of share capital in accordance with approved Scheme of Arrangement (refer note 45)	(11,173.59)	-	-	-	-	-	11,173.59	-	-	-	-
Excess of consideration received over the carrying value of net assets transferred of PV undertaking (refer note 45)	-	-	-	-	-	1,960.04	-	-	-	-	1,960.04
Transfer from debenture redemption reserve	-	-	-	-	(493.30)	-	493.30	-	-	-	-
Balance as at March 31, 2022	14,459.14	38.27	6.39	2.28	411.14	1,609.89	2,146.05	606.03	(13.80)	(87.12)	19,178.27

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

SHIRAZ AZIZ
VASTANI
Partner
Membership No. 103334
UDIN: 23103334BGYMR6797
Place: Mumbai
Date: May 12, 2023

SHIRAZ AZIZ
VASTANI
Partner
Membership No. 103334
UDIN: 23103334BGYMR6797
Place: Mumbai
Date: May 12, 2023

N CHANDRASEKARAN [DIN: 00121863]
Chairman

GIRISH ARUN WAGH
Executive Director

Chandrasekaran Natarajan
Digitally signed by Chandrasekaran Natarajan
Date: 2023.05.12 19:37:59 +05'30'

For and on behalf of the Board

P B BALAJI
Group Chief Financial Officer

MALLOY KUMAR GUPTA
Company Secretary

MALLOY KUMAR GUPTA [ACS: 24123]
Company Secretary

Place: Mumbai

Date: May 12, 2023

TATA MOTORS LIMITED
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, 2023, Tata Sons Pvt Limited, together with its subsidiaries owns 46.32% of the Ordinary shares and 7.66% of 'A' Ordinary shares of the Company, and has the ability to significantly influence the Company's operations.

These standalone financial statements were approved by the Board of Directors and authorised for issue on May 12, 2023.

2. Significant accounting policies

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act") as amended from time to time.

b. Basis of preparation

The financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period as explained in the accounting policies below.

Joint operations

Certain of the Company's activities, are conducted through joint operations, which are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. As per Ind AS 111 - Joint arrangements, in its separate financial statements, the Company being a joint operator has recognised its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to the joint operation.

Although not required by Ind AS, the Company has provided in note 46 additional information of Tata Motors Limited on a standalone basis excluding its interest in its two Joint Operations viz. Tata Cummins Private Limited (including its subsidiary company) and Fiat India Automobiles Private Limited (which ceased to be a joint operation w.e.f. January 1, 2022).

c. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- i) Note 3 and Note 5 - Property, plant and equipment and Intangible assets- useful life and impairment
- ii) Note 28 - Recoverability/recognition of deferred tax assets
- iii) Note 27 - Provision for product warranty
- iv) Note 33(B) - Assets and obligations relating to employee benefits

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

d. Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure are capitalized where appropriate, in accordance with the policy for internally generated intangible assets and represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction and product development undertaken by the Company.

Material and other cost of sales as reported in the statement of profit and loss is presented net of the impact of realised foreign exchange relating to derivatives hedging cost exposures.

e. Foreign currency

These financial statements are presented in Indian rupees, which is the functional currency of Tata Motors Limited.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date.

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

f. Segments

The Company primarily operates in the automotive business and has a single segment of commercial vehicles. The Company has opted for an exemption as per para 4 of Ind AS 108. Segment information is thus given in the consolidated financial statements of the Company.

g. Going concern

The Company's financial statements have been prepared on a going concern basis.

The Company has performed an assessment of its financial position as at March 31, 2023 and forecasts of the Company for a period of eighteen months from the date of these financial statements (the 'Going Concern Assessment Period' and the 'Foreseeable Future').

In developing these forecasts, the Company has modelled a base case, which has been further sensitised using severe but plausible downside scenarios. The base case covers the Going Concern Assessment Period and considers the estimated on-going impact of the Russia-Ukraine conflict as well as a cautious view of the impact of near-term supply chain challenges related to global semi-conductor shortages. It also accounts for other end-market and operational factors throughout the Going Concern Assessment Period. The base case assumes continued recovery in industry volumes based upon external industry forecasts. This has been further sensitized using more severe but plausible scenarios considering external market commentaries and other factors impacting the global economy and automotive industry. Management do not consider more extreme scenarios than the ones assessed to be plausible.

In evaluating the forecasts, the Company has taken into consideration both the sufficiency of liquidity to meet obligations as they fall due as well as potential impact on compliance with financial covenants during the forecast period. These forecasts indicate that, based on cash generated from operations, the existing funding facilities and inter corporate deposits from subsidiaries, the Company will have sufficient liquidity to operate and discharge its liabilities as they become due, without breaching any relevant covenants and the need for any mitigating actions.

Based on the evaluation described above, management believes that the Company has sufficient financial resources available to it at the date of approval of these financial statements and that it will be able to continue as a 'going concern' in the foreseeable future and for a period up to September 30, 2024.

h. Impairment

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit and Loss.

An asset or cash-generating unit impaired in prior years is reviewed at each balance sheet date to determine whether there is any indication of a reversal of impairment loss recognized in prior years.

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

i. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

i. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

ii. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

iii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 31, 2024.

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

3. Property, plant and equipment
(a) Accounting policy

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

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

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

Estimated useful lives of assets are as follows:

<u>Type of Asset</u>	<u>Estimated useful life (years)</u>
Buildings, Roads, Bridge and culverts	4 to 60 years
Plant, machinery and equipment	8 to 20 years
Computers and other IT assets	4 to 6 years
Vehicles	4 to 10 years
Furniture, fixtures and office appliances	5 to 15 years

The useful lives is reviewed at each year end. Changes in expected useful lives are treated as change in accounting estimates.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

An item of property, plant and equipment is derecognized on disposal. Any gain or loss arising from derecognition of an item of property, plant and equipment is included in the statement of profit and loss.

(b) Property, plant and equipment

	<u>Owned assets</u>						<u>Given on lease</u>		<u>(₹ in crores)</u>
	<u>Land</u>	<u>Buildings</u>	<u>Plant, machinery and equipments</u>	<u>Furniture and fixtures</u>	<u>Vehicles</u>	<u>Computers & other IT assets</u>	<u>Plant, machinery and equipments</u>	<u>Buildings</u>	
Cost as at April 1, 2022	4,082.34	2,787.50	16,692.29	129.90	173.45	461.46	35.30	4.02	24,366.26
Additions	-	37.97	834.29	1.59	3.79	85.74	0.77	-	964.15
Disposals/adjustments	-	(14.89)	(386.16)	9.71	(46.08)	(2.90)	(0.05)	(4.02)	(444.39)
Cost as at March 31, 2023	4,082.34	2,810.58	17,140.42	141.20	131.16	544.30	36.02	-	24,886.02
Accumulated depreciation as at April 1, 2022	-	(1,060.30)	(10,973.61)	(104.51)	(119.95)	(346.34)	(27.01)	(1.11)	(12,632.82)
Depreciation for the year	-	(82.79)	(806.18)	(5.19)	(16.38)	(40.97)	(1.73)	-	(953.24)
Disposal/adjustments	-	5.30	361.28	(4.85)	42.24	2.74	0.09	1.11	407.91
Accumulated depreciation as at March 31, 2023	-	(1,137.79)	(11,418.51)	(114.55)	(94.09)	(384.57)	(28.65)	-	(13,178.15)
Net carrying amount as at March 31, 2023	4,082.34	1,672.79	5,721.91	26.65	37.07	159.73	7.37	-	11,707.87
Cost as at April 1, 2021	4,869.08	3,925.12	31,358.48	225.86	264.14	522.77	37.66	4.02	41,207.13
Additions (refer note below)	-	51.82	1,175.92	0.36	31.64	36.18	-	-	1,295.92
Assets transferred to Tata Motors Passenger Vehicles Limited (refer note 45)	(786.74)	(819.42)	(12,708.01)	(67.12)	(21.07)	(67.54)	(2.36)	-	(14,472.26)
Adjustments due to conversion of Joint Operation to Joint Venture	-	(360.97)	(2,800.70)	(22.87)	(12.60)	(15.00)	-	-	(3,212.14)
Disposals/adjustments	-	(9.05)	(333.40)	(6.33)	(88.66)	(14.95)	-	-	(452.39)
Cost as at March 31, 2022	4,082.34	2,787.50	16,692.29	129.90	173.45	461.46	35.30	4.02	24,366.26
Accumulated depreciation as at April 1, 2021	-	(1,443.92)	(19,873.20)	(153.56)	(176.68)	(379.14)	(26.13)	(1.03)	(22,053.65)
Depreciation for the year	-	(82.25)	(790.56)	(5.90)	(31.02)	(39.91)	(1.39)	(0.08)	(951.11)
Depreciation for discontinued operations (refer note 45)	-	(19.42)	(450.77)	(3.21)	(4.78)	(1.47)	-	-	(479.65)
Assets transferred to Tata Motors Passenger Vehicles Limited (refer note 45)	-	334.75	8,182.04	36.07	13.49	60.75	0.51	-	8,627.61
Adjustments due to conversion of Joint Operation to Joint Venture	-	148.28	1,632.45	18.11	6.49	14.45	-	-	1,819.78
Disposal/adjustments	-	2.26	326.43	3.98	72.55	(1.02)	-	-	404.20
Accumulated depreciation as at March 31, 2022	-	(1,060.30)	(10,973.61)	(104.51)	(119.95)	(346.34)	(27.01)	(1.11)	(12,632.82)
Net carrying amount as at March 31, 2022	4,082.34	1,727.20	5,718.68	25.39	53.50	115.12	8.29	2.91	11,733.44

Note:

Include assets of ₹152.51 crores capitalized during August 24, 2021 to December 31, 2021 which is pertaining to PV undertaking. (refer note 45)

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

(c) Capital work-in-progress	(₹ in crores)	
	For the year ended March 31,	
	<u>2023</u>	<u>2022</u>
Balance at the beginning	585.21	1,400.82
Additions (refer note below)	954.59	1,341.40
Capitalised during the year	(964.15)	(1,295.92)
Assets transferred to Tata Motors Passenger Vehicles Limited (refer note 45)	-	(733.65)
Adjustments due to conversion of Joint Operation to Joint Venture	-	(127.44)
Balance at the end	<u>575.65</u>	<u>585.21</u>

Note:

Additions for the year ended March 31, 2022 include assets of ₹ 275.41 crores purchased during August 24, 2021 to December 31, 2021 which is pertaining to PV undertaking. (refer note 45)

(d) Ageing of Capital work-in-progress

	As at March 31, 2023				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	526.53	18.71	13.02	17.39	575.65
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023	<u>526.53</u>	<u>18.71</u>	<u>13.02</u>	<u>17.39</u>	<u>575.65</u>

	As at March 31, 2022				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	416.53	66.00	40.98	61.70	585.21
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022	<u>416.53</u>	<u>66.00</u>	<u>40.98</u>	<u>61.70</u>	<u>585.21</u>

(e) Expected Completion schedule of Capital work-in-progress where cost or time overrun has exceeded original plan

	As at March 31, 2023				
	To be completed				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Project 1	-	-	-	-	-
Other Projects*	192.98	15.53	9.60	3.36	221.47
	<u>192.98</u>	<u>15.53</u>	<u>9.60</u>	<u>3.36</u>	<u>221.47</u>

	As at March 31, 2022				
	To be completed				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Project 1	85.82	-	-	-	85.82
Other Projects*	242.86	7.71	-	-	250.57
	<u>328.68</u>	<u>7.71</u>	<u>-</u>	<u>-</u>	<u>336.39</u>

*Individual projects less than ₹ 50 crores have been clubbed together in other projects.

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

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

4. Leases

(a) Accounting policy

Lessee:

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

- The contract involves the use of an identified asset –this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - The Company has the right to operate the asset; or
 - The Company designed the asset in a way that predetermines how and for what purposes it will be used.

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

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

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

Lease payments include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Company also recognises a right of use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs.

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

Lessor:

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

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

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

- (b)** The Company leases a number of buildings, plant and equipment, IT hardware and software assets, certain of which have a renewal and/or purchase option in the normal course of the business. Extension and termination options are included in a number of leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Company re-assesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control. It is recognised that there is potential for lease term assumptions to change in the future and this will continue to be monitored by the Company where relevant. The Company's leases mature between 2024 and 2032. The weighted average rate applied is 8.08 % (2022: 8.22%).

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

4. (b) Leases (continued)

The following amounts are included in the Balance Sheet :

	(₹ in crores)	
	As at March 31,	
	2023	2022
Current lease liabilities	100.99	58.58
Non-current lease liabilities	305.26	237.84
Total lease liabilities	406.25	296.42

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

	(₹ in crores)	
	For the year ended March 31,	
	2023	2022
Interest expense on lease liabilities	34.22	49.00
Variable lease payment not included in the measurement of lease liabilities	- *	- *
Income from sub-leasing of right-of-use assets	1.85	0.45
Expenses related to short-term leases	2.43	1.46
Expenses related to low-value assets, excluding short-term leases of low-value assets	5.83	13.87

*less than ₹ 50,000/-

Right of use assets	Land	Buildings	Plant, machinery and equipments	Vehicles	Computers and other IT assets	Total
Cost as at April 1, 2022	55.36	219.27	115.15	102.27	187.07	679.11
Additions	-	55.75	63.95	115.99	3.16	238.85
Disposals/adjustments	(10.85)	(38.13)	(38.14)	(10.31)	(178.20)	(275.63)
Cost as at March 31, 2023	44.51	236.89	140.96	207.95	12.03	642.33
Accumulated amortisation as at April 1, 2022	(1.97)	(73.20)	(73.36)	(17.11)	(181.01)	(346.65)
Amortisation for the year	(0.65)	(49.54)	(4.05)	(38.75)	(2.97)	(57.21)
Amortisation - considered as employee cost	-	-	-	(38.75)	-	(38.75)
Disposal/adjustments	-	26.66	14.61	2.08	178.20	221.55
Accumulated amortisation as at March 31, 2023	(2.62)	(96.08)	(62.80)	(53.78)	(5.78)	(221.06)
Net carrying amount as at March 31, 2023	41.89	140.81	78.16	154.17	6.25	421.27
Cost as at April 1, 2021	91.77	339.10	624.98	40.50	203.49	1,299.84
Additions (refer note (ii) below)	-	94.35	41.41	96.62	1.75	234.13
Assets transferred to Tata Motors Passenger Vehicles Limited (refer note 45)	(29.66)	(139.22)	(813.41)	(25.11)	(8.02)	(1,015.42)
Adjustments due to conversion of Joint Operation to Joint Venture	(6.75)	(0.73)	274.31	-	(3.38)	263.46
Disposals/adjustments	-	(74.23)	(12.15)	(9.74)	(6.78)	(102.90)
Cost as at March 31, 2022	55.36	219.27	115.15	102.27	187.07	679.11
Accumulated amortisation as at April 1, 2021	(2.29)	(125.85)	(209.31)	(2.75)	(191.05)	(531.25)
Amortisation for the year	(0.66)	(43.10)	(5.79)	-	(3.02)	(52.57)
Amortisation for discontinued operations	(0.21)	(7.98)	(17.29)	-	(0.67)	(26.14)
Amortisation - considered as employee cost	-	-	-	(17.21)	-	(17.21)
Assets transferred to Tata Motors Passenger Vehicles Limited (refer note 45)	0.94	48.22	186.18	2.14	5.82	243.30
Adjustments due to conversion of Joint Operation to Joint Venture	0.25	0.44	(27.32)	-	1.13	(25.50)
Disposal/adjustments	-	55.07	0.16	0.71	6.78	62.72
Accumulated amortisation as at March 31, 2022	(1.97)	(73.20)	(73.36)	(17.11)	(181.01)	(346.65)
Net carrying amount as at March 31, 2022	53.39	146.07	41.78	85.16	6.05	332.45

Note:

- There are no leases with residual value guarantees.
- Include assets of ₹97.82 crores capitalized during August 24, 2021 to December 31, 2021 which is pertaining to PV undertaking. (refer note 45)

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

The average effective interest rate contracted approximates between **5.09% to 8.10%** (2022: 5.09 % to 8.10%) per annum.

The following amounts are included in the Balance Sheet :

	As at March 31,	
	2023	2022
Current lease receivables (refer note 12)	32.18	31.54
Non-current lease receivables (refer note 11)	367.15	399.01
Total lease receivables	399.33	430.55

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

	For the year ended March 31,	
	2023	2022
Sales Revenue for finance leases	-	278.58
Finance income on the net investment in finance leases	34.75	25.90
Income relating to variable lease payments not included in the net investment in finance leases	-	-

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

	As at March 31, 2023				(₹ in crores)
	Due in 1 st Year	Due in 2 nd Year	Due in 3 rd to 5 th Year	Due beyond 5 th Year	Total contractual cash flows
Finance lease receivables	32.18	32.53	114.20	220.42	399.33
	As at March 31, 2022				(₹ in crores)
	Due in 1 st Year	Due in 2 nd Year	Due in 3 rd to 5 th Year	Due beyond 5 th Year	Total contractual cash flows
Finance lease receivables	31.54	31.82	105.70	261.49	430.55

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

5. Other Intangible assets
(a) Accounting policy

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

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

	<u>Estimated amortisation period</u>
Technical know-how	8 to 10 years
Software	4 years
Product development cost	2 to 10 years

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

Internally generated intangible asset

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

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

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

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

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

Derecognition of intangible assets

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

(b) Intangible assets consist of the following:

	Technical know how	Computer Software	Product development	(₹ in crores) Total
Cost as at April 1, 2022	478.15	518.54	4,396.93	5,393.62
Additions	86.89	29.75	1,043.08	1,159.72
Asset fully amortised not in use	-	(0.84)	(2,422.55)	(2,423.39)
Cost as at March 31, 2023	565.04	547.45	3,017.46	4,129.95
Accumulated amortisation as at April 1, 2022	(363.62)	(477.43)	(2,542.70)	(3,383.75)
Amortisation for the year	(41.30)	(19.68)	(695.43)	(756.41)
Fully amortised not in use	-	0.84	2,422.55	2,423.39
Accumulated amortisation as at March 31, 2023	(404.92)	(496.27)	(815.58)	(1,716.77)
Net carrying amount as at March 31, 2023	160.12	51.18	2,201.88	2,413.18
Cost as at April 1, 2021	478.15	614.30	11,536.76	12,629.21
Additions	-	25.83	1,203.39	1,229.22
Assets transferred to Tata Motors Passenger Vehicles Limited (refer note 45)	-	(82.68)	(7,886.38)	(7,969.06)
Adjustments due to conversion of Joint Operation to Joint Venture	-	(38.91)	(456.84)	(495.75)
Cost as at March 31, 2022	478.15	518.54	4,396.93	5,393.62
Accumulated amortisation as at April 1, 2021	(317.39)	(568.10)	(5,341.78)	(6,227.27)
Amortisation for the year	(46.23)	(19.52)	(691.14)	(756.89)
Amortisation for discontinued operations	-	(2.73)	(455.84)	(458.57)
Assets transferred to Tata Motors Passenger Vehicles Limited (refer note 45)	-	79.31	3,584.77	3,664.08
Adjustments due to conversion of Joint Operation to Joint Venture	-	33.61	361.29	394.90
Accumulated amortisation as at March 31, 2022	(363.62)	(477.43)	(2,542.70)	(3,383.75)
Net carrying amount as at March 31, 2022	114.54	41.11	1,854.23	2,009.87

TATA MOTORS LIMITED
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5. Other Intangible assets (continued)

	(₹ in crores)	
	For the year ended March 31,	
	<u>2023</u>	<u>2022</u>
(c) Intangible assets under development		
Balance at the beginning	882.03	1,605.64
Additions (refer note below)	1,057.37	700.57
Capitalised during the year	(1,159.72)	(1,229.22)
Provision made during the year	(270.38)	-
Assets transferred to Tata Motors Passenger Vehicles Limited (refer note 45)	-	(190.58)
Adjustments due to conversion of Joint Operation to Joint Venture	-	(4.38)
Balance at the end	<u>509.30</u>	<u>882.03</u>

Note:

Additions for the year ended March 31, 2022 include assets of ₹99.96 crores purchased during August 24, 2021 to December 31, 2021 which is pertaining to PV undertaking. (refer note 45)

(d) Ageing of intangible assets under development

	As at March 31, 2023				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	367.01	88.91	16.20	37.18	509.30
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023	<u>367.01</u>	<u>88.91</u>	<u>16.20</u>	<u>37.18</u>	<u>509.30</u>
	As at March 31, 2022				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	404.32	87.28	72.08	48.00	611.68
Projects temporarily suspended	2.13	8.21	38.47	221.54	270.35
As at March 31, 2022	<u>406.45</u>	<u>95.49</u>	<u>110.55</u>	<u>269.54</u>	<u>882.03</u>

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

	As at March 31, 2023				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Project 1	-	-	-	-	-
Other Projects*	8.47	-	-	-	8.47
Projects temporarily suspended					
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-
	<u>8.47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8.47</u>
	As at March 31, 2022				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Project 1	97.81	-	-	-	97.81
Other Projects*	18.76	-	-	-	18.76
Projects temporarily suspended					
Project 1	-	-	-	61.31	61.31
Project 2	-	-	-	209.04	209.04
	<u>116.57</u>	<u>-</u>	<u>-</u>	<u>270.35</u>	<u>386.92</u>

*Individual projects less than ₹ 50 crores have been clubbed together in other projects.

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

TATA MOTORS LIMITED
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6. Investments in subsidiaries, joint ventures and associates measured at cost - non-current

(a) Accounting policy

Investments in Subsidiaries, Joint ventures and Associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in Subsidiaries, Joint ventures and Associates, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

(b) Investments in subsidiaries, joint ventures and associates consist of the following:

Investments in subsidiaries, joint ventures and associates consist of the following:						(₹ in crores)
Number	Face value per unit (Fully Paid up)	Description	As at March 31,			
			2023	2022		
Equity shares						
i) Subsidiaries						
Unquoted						
9,41,70,00,000	10	Tata Motors Passenger Vehicles Limited	9,417.00	9,417.00		
70,00,00,000	10	Tata Passenger Electric Mobility Limited	784.61	743.36		
30,30,06,000	2	Tata Technologies Limited	224.10	224.10		
5,30,59,549	10	TML Business Services Limited [Note 7 below]	254.92	434.65		
4,50,00,000	10	TML CV Mobility Solutions Limited	45.00	0.05		
7,900	-	Tata Technologies Inc, (USA)	0.63	0.63		
1,74,15,93,442	10	TMF Holdings Limited [Note 2 and 3 below]	4,028.95	3,594.95		
21,83,87,096	10	Tata Motors Body Solutions Limited (Formerly known as Tata Marcopolo Motors Limited) [8,33,00,000 shares acquired during the year]	261.69	161.70		
2,51,16,59,418		TML Holdings Pte Ltd, (Singapore) [Note 5 and 6 below]	10,158.52	10,158.52		
13,84,523 (EUR)	31.28	Tata Hispano Motors Carrocera S.A., (Spain)	61.56	61.56		
1,220 (IDR)	8,855	PT Tata Motors Indonesia	0.01	0.01		
2,12,000 (MAD)	1,000	Tata Hispano Motors Carroceries Maghreb S.A., (Morocco)	57.72	57.72		
1,83,59,203 (SGD)	1	Tata Precision Industries Pte. Ltd, (Singapore)	40.53	40.53		
50,00,000	10	Tata Motors Insurance Broking and Advisory Services Ltd	19.31	19.31		
-	-	TMNL Motor Services Nigeria Ltd	-	0.00	#	
98,97,908	10	Brabo Robotics and Automation Ltd	13.00	13.00		
50,00,000	10	Jaguar Land Rover Technology and Business Services India (P) Ltd. (Formerly known as JT Special Vehicle (P) Ltd.)	2.52	2.52		
50,00,000	10	TML Smart City Mobility Solutions Limited	5.00	-		
			25,375.07	24,929.61		
		Advance towards investments	-	0.01		
		Less: Provision for impairment	(171.92)	(219.82)	24,709.80	
ii) Associates						
Quoted						
29,82,214	10	Automobile Corporation of Goa Ltd	108.22	108.22		
Unquoted						
16,000 (TK)	1,000	NITA Co. Ltd (Bangladesh)	1.27	1.27		
4,54,28,572	10	Tata Hitachi Construction Machinery Company Private Ltd	238.50	238.50		
5,23,33,170	10	Tata AutoComp Systems Ltd	77.47	77.47	425.46	
(iii) Joint Venture (JV)						
Unquoted						
12,22,57,983	100	Fiat India Automobiles Private Ltd	2,334.65	2,334.65		
(iv) Subsidiaries						
Cumulative convertible preference shares (unquoted)						
-	-	TMF Holdings Limited [Note 3 below]	-	-	434.00	
Cumulative Redeemable Preference shares (unquoted)						
13,54,195	100	TML Business Services Ltd	13.54	13.54		
Total			27,976.80	27,917.45		

Less than ₹ 50,000

Notes:

- (1) Market Value of quoted investments 214.09 278.55
- (2) Includes option pricing value for call/ put option provided by the Company towards perpetual debt issued by TMF Holdings Limited.
- (3) Converted 4,34,00,000 Cumulative convertible preference shares (unquoted) of ₹ 100 each into 9,33,00,000 Equity shares of ₹10 each in the ratio of 2.15:1 issued by TMF Holdings Limited.
- (4) The Company has given a letter of comfort to Bank of China, Shanghai Branch for RMB 5 billion (₹5,980.75 crores as at March 31, 2023) against loan granted by the bank to Jaguar Land Rover (China) Investment Co. Ltd.
- (5) The Company has given a letter of comfort to State Bank of India, Bahrain for USD 100 million (₹821.83 crores as on March 31, 2023) against Credit Facility given to TML Holding PTE Ltd., Singapore and a letter of comfort to Bank of Baroda, London for GBP 100 million (₹1,016.45 crores as on March 31, 2023) against the SBLC Facility extended to TML Holding PTE Ltd., Singapore.
- (6) The Company has given a letter of comfort to Citi Corp International for USD 300 million (₹2,465.48 crores as on March 31, 2023) and USD 425 million (₹3,492.76 crores as on March 31, 2023) to TML Holding PTE Ltd., Singapore against ECB Bonds.
- (7) Pursuant to the Scheme of Arrangement between, two wholly owned subsidiaries of the Company, viz., TML Distribution Company Limited (TMLD) and TML Business Services Limited (TMLBSL) and the Company, under order issued by NCLT dated March 11, 2022, with appointed date of April 1, 2021, TMLD has been merged with TMLBSL. TMLBSL has issued 117,22,50,000 equity share of face value of ₹10 each fully paid-up in lieu of 22,50,00,000 equity shares of ₹10 each fully paid-up held by the Company in TMLD. Further, as per the scheme, TMLBSL has done the reduction of its share capital by cancellation and extinguishment of 128,28,88,145 equity shares of ₹10 each fully paid-up aggregating to ₹1,282.89 crores and has paid ₹131.83 crores to the Company for such cancellation and extinguishment. The amount of ₹131.83 crores is return of capital.

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7. Investments-non-current

(₹ in crores)

<u>Number</u>	<u>Face value per unit</u> (Fully Paid up)	<u>Description</u>	As at March 31,	
			2023	2022
Investment in equity shares measured at fair value through other comprehensive income				
Quoted				
5,49,62,950	1	Tata Steel Ltd	574.37	718.49
Unquoted				
75,000	1,000	Tata International Ltd	162.58	111.58
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	198.10	191.26
33,600	100	Kulkarni Engineering Associates Ltd	-	-
12,375	1,000	Tata Sons Pvt Ltd	85.34	95.20
2,25,00,001	10	Haldia Petrochemicals Ltd	125.78	199.80
2,40,000	10	Oriental Floratech (India) Pvt. Ltd	-	-
43,26,651	15	Tata Capital Ltd	58.45	22.41
50,000	10	NICCO Jubilee Park Ltd.	0.05	0.05
Total			1,204.82	1,338.94

Note:

a) Investment in equity shares measured at fair value through other comprehensive income also include:

(Amount in ₹)

<u>Number</u>	<u>Face value per unit</u> (Fully Paid up)	<u>Description</u>	As at March 31,	
			2023	2022
50	5	Jamshedpur Co-operative Stores Ltd.	250	250
16,56,517	(M\$)	1 Tatab Industries Sdn. Bhd., (Malaysia)	1	1
4	25000	ICICI Money Multiplier Bond	1	1
100	10	Optel Telecommunications	1,995	1,995

b)

(₹ in crores)

			As at March 31,	
			2023	2022
(1)		Book Value of quoted investments	574.37	718.49
(2)		Book Value of unquoted investments	630.45	620.45
(3)		Market Value of quoted investments	574.37	718.49

8. Investments-current

<u>Number</u>	<u>Face value per unit</u>	<u>Description</u>	As at March 31,	
			2023	2022
Investments in Mutual funds measured at Fair value through profit and loss				
Unquoted				
-	-	Mutual funds	3,142.96	5,143.08
Total			3,142.96	5,143.08

Note:

(₹ in crores)

	As at March 31,	
	2023	2022
Book Value of unquoted investments	3,142.96	5,143.08

TATA MOTORS LIMITED
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	(₹ in crores)			
9. Loans and advances- non current	As at March 31,			
	<u>2023</u>		<u>2022</u>	
Unsecured :				
(a) Loans to employees, considered good	34.63		12.01	
(b) Loan to subsidiaries				
Considered good	57.04		12.04	
Credit impaired	<u>607.26</u>		<u>607.26</u>	
	<u>664.30</u>		619.30	
Less : Allowances for credit impaired balances	<u>(607.26)</u>	57.04	<u>(607.26)</u>	12.04
(c) Dues from subsidiary companies, credit impaired				
Tata Hispano Motors Carrocera S.A.	53.74		53.74	
Less : Allowances for credit impaired balances	<u>(53.74)</u>	-	<u>(53.74)</u>	-
(d) Others				
Considered good	22.73		24.38	
Credit impaired	<u>-</u>		<u>2.60</u>	
	<u>22.73</u>		26.98	
Less : Allowances for credit impaired balances	<u>-</u>	22.73	<u>(2.60)</u>	24.38
Total	<u><u>114.40</u></u>		<u><u>48.43</u></u>	
10. Loans and advances- current	As at March 31,			
	<u>2023</u>		<u>2022</u>	
Secured :				
Finance receivables	-		13.42	
(net of allowances for credit impaired balances of ₹5.25 crores and ₹5.25 crores as at March 31, 2023 and 2022, respectively)				
Unsecured :				
(a) Advances and other receivables	114.52		98.52	
(net of allowances for credit impaired balances of ₹51.90 crores and ₹72.02 crores as at March 31, 2023 and 2022, respectively)				
(b) Intercompany deposits				
Considered good	15.00		-	
(c) Dues from subsidiary companies (Note below)				
Considered good	2.77		27.43	
Credit impaired	<u>-</u>		<u>0.20</u>	
	<u>2.77</u>		27.63	
Less : Allowances for credit impaired balances	<u>-</u>	2.77	<u>(0.20)</u>	27.43
Total	<u><u>132.29</u></u>		<u><u>139.37</u></u>	
Note:	As at March 31,			
	<u>2023</u>		<u>2022</u>	
Dues from subsidiary company:				
(a) Tata Motors Passenger Vehicles Limited	-		19.69	
(b) TML Business Services Ltd	-		5.03	
(c) Tata Motors (SA) (Proprietary) Ltd	1.11		1.08	
(d) Tata Motors Nigeria Ltd	-		0.20	
(e) Jaguar Land Rover Ltd	0.06		0.67	
(f) Tata Passenger Electric Mobility Limited	-		0.44	
(g) Tata Motors Finance Solutions Ltd	0.01		-	
(h) TML Smart City Mobility Solutions Ltd	1.17		-	
(i) TML Smart City Mobility Solutions J&K Private Ltd	0.22		-	
(j) TML CV Mobility Solutions Limited	<u>0.20</u>		<u>0.52</u>	
	<u><u>2.77</u></u>		<u><u>27.63</u></u>	

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	(₹ in crores)	
	As at March 31,	
	<u>2023</u>	<u>2022</u>
11. Other financial assets - non-current		
(a) Derivative financial instruments	902.68	675.60
(b) Restricted deposits	5.21	8.62
(c) Finance lease receivable	367.15	399.01
(d) Government incentives	1,075.35	843.66
(e) Recoverable from suppliers	18.32	32.26
(f) Security deposits (net of allowances for credit impaired balances of ₹1.15 crores and ₹1.15 crores as at March 31, 2023 and March 31, 2022, respectively)	35.19	32.38
(g) Others	1.33	0.99
Total	<u>2,405.23</u>	<u>1,992.52</u>
12. Other financial assets - current		
	As at March 31,	
	<u>2023</u>	<u>2022</u>
(a) Derivative financial instruments	38.72	45.50
(b) Interest accrued on loans and deposits	2.17	7.51
(c) Deposit with financial institutions	-	300.00
(d) Finance lease receivable	32.18	31.54
(e) Government incentives	151.57	348.54
(f) Recoverable from suppliers	28.15	74.93
(g) Security deposits	2.46	1.49
Total	<u>255.25</u>	<u>809.51</u>
13. Other non-current assets		
	As at March 31,	
	<u>2023</u>	<u>2022</u>
(a) Capital advances	60.13	76.78
(b) Taxes recoverable, statutory deposits and dues from government (net of allowances for credit impaired balances of ₹31.66 crores and ₹31.66 crores as at March 31, 2023 and 2022, respectively)	479.26	494.39
(c) Recoverable from Insurance companies	17.45	85.86
(d) Employee benefits	31.91	-
(d) Others	8.07	5.21
Total	<u>596.82</u>	<u>662.24</u>
14. Other current assets		
	As at March 31,	
	<u>2023</u>	<u>2022</u>
(a) Advance to suppliers and contractors (net of allowances for credit impaired balances of ₹41.18 crores and ₹39.34 crores as at March 31, 2023 and 2022, respectively)	730.48	514.39
(b) Taxes recoverable, statutory deposits and dues from government (net of allowances for credit impaired balances of ₹84.02 crores and ₹83.66 crores as at March 31, 2023 and 2022, respectively)	331.51	392.52
(c) Prepaid expenses	112.13	161.80
(d) Recoverable from Insurance companies	3.33	0.23
(e) Employee benefits	2.06	1.18
(f) Others	39.67	21.83
Total	<u>1,219.18</u>	<u>1,091.95</u>

TATA MOTORS LIMITED
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15. Inventories
(a) Accounting policy

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

		(₹ in crores)	
		As at March 31,	
		<u>2023</u>	<u>2022</u>
(b) Inventories consist of the following:			
(a) Raw materials and components		1,096.27	1,263.95
(b) Work-in-progress		299.33	427.66
(c) Finished goods		1,430.52	1,786.87
(d) Stores and spare parts		136.33	135.22
(e) Consumable tools		19.16	21.15
(f) Goods-in-transit - Raw materials and components		46.29	83.64
Total		<u>3,027.90</u>	<u>3,718.49</u>

During the year ended March 31, 2023 and 2022, the Company recorded inventory write-down expenses of ₹32.21 crores and ₹25.25 crores, respectively.

Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2023 and 2022 amounted to ₹ 54,083.75 crores and ₹ 43,334.20 crores, respectively.

16. Trade receivables (unsecured)

		As at March 31,	
		<u>2023</u>	<u>2022</u>
Receivables considered good		2,307.72	2,111.78
Credit impaired receivables		554.93	430.24
		<u>2,862.65</u>	<u>2,542.02</u>
Less : Allowance for credit impaired receivables		(554.93)	(430.24)
Total		<u>2,307.72</u>	<u>2,111.78</u>

17. Allowance for trade receivables, loans and other receivables

		For the year ended March 31,	
		<u>2023</u>	<u>2022</u>
Balance at the beginning		1,325.97	1,511.80
Allowances made during the year *		105.32	42.71
Provision for loan/intercorporate deposits given to subsidiary companies		-	4.04
Written off		(0.20)	(62.89)
Transferred to Tata Motors Passenger Vehicles Limited (refer note 45)		-	(169.69)
Balance at the end		<u>1,431.09</u>	<u>1,325.97</u>

* Includes ₹33.77 crores netted off in revenue (₹32.26 crores for the year ended March 31, 2022)

18. Cash and cash equivalents
(a) Accounting policy

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

(b) Cash and cash equivalents consist of the following:

		As at March 31,	
		<u>2023</u>	<u>2022</u>
(a) Cash on hand		0.04	0.03
(b) Cheques on hand		154.54	110.28
(c) Balances with banks		626.85	330.63
(d) Deposits with banks		340.00	2,009.29
		<u>1,121.43</u>	<u>2,450.23</u>

19. Other bank balances

		As at March 31,	
		<u>2023</u>	<u>2022</u>
With upto 12 months maturity:			
(a) Earmarked balances with banks (refer note below)		293.17	155.15
(b) Bank deposits		0.05	0.05
Total		<u>293.22</u>	<u>155.20</u>

Note:

Earmarked balances with banks as at March 31, 2023 of ₹270.00 crores (as at March 31, 2022 ₹135.00 crores) is held as security in relation to repayment of borrowings.

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		(₹ in crores)	
		As at March 31,	
		<u>2023</u>	<u>2022</u>
20. Equity Share Capital			
(a) Authorised:			
(i) 400,00,00,000 Ordinary shares of ₹2 each		800.00	800.00
(as at March 31, 2022: 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, 2022: 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, 2022: 30,00,00,000 shares of ₹100 each)			
Total		4,000.00	4,000.00
(b) Issued: [Note (h)]			
(i) 3,32,18,36,884 Ordinary shares of ₹2 each		664.37	664.23
(as at March 31, 2022: 3,32,11,54,566 Ordinary shares of ₹2 each)			
(ii) 50,87,36,110 'A' Ordinary shares of ₹2 each		101.75	101.75
(as at March 31, 2022: 50,87,36,110 'A' Ordinary shares of ₹2 each)			
Total		766.12	765.98
(c) Subscribed and called up: [Note (h)]			
(i) 3,32,13,44,325 Ordinary shares of ₹2 each		664.27	664.13
(as at March 31, 2022: 3,32,06,62,007 Ordinary shares of ₹2 each)			
(ii) 50,85,02,896 'A' Ordinary shares of ₹2 each		101.70	101.70
(as at March 31, 2022: 50,85,02,896 'A' Ordinary shares of ₹2 each)			
		765.97	765.83
(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, 2022: 310 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each))			
(e) Paid-up (c+d):		765.97	765.83
(f) Forfeited - Ordinary shares		0.05	0.05
Total (e+f)		766.02	765.88
(g) The movement of number of shares and share capital			
	Year ended March 31, 2023	Year ended March 31, 2022	
	(No. of shares)	(No. of shares)	(₹ in crores)
(i) Ordinary shares			
Balance as at April 1	332,06,62,007	664.13	332,03,07,765
Add: Allotment of shares on exercise of stock options by employees	6,82,318	0.14	3,54,242
Balance as at March 31	332,13,44,325	664.27	332,06,62,007
(ii) 'A' Ordinary shares			
Balance as at April 1	50,85,02,896	101.70	50,85,02,896
Balance as at March 31	50,85,02,896	101.70	50,85,02,896

*less than ₹ 50,000/-

(h) The entitlements to **4,92,559** Ordinary shares of ₹2 each (as at March 31, 2022 : 4,92,559 Ordinary shares of ₹2 each) and **2,33,214** 'A' Ordinary shares of ₹2 each (as at March 31, 2022: 2,33,214 'A' Ordinary shares of ₹2 each) are subject matter of various suits filed in the courts / forums by third parties for which final order is awaited and hence kept in abeyance.

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(i) 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. 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) :

- The Company notified the New York Stock Exchange (the "NYSE") on November 9, 2022 of its intent to: (i) voluntarily delist its American Depositary Shares (the "ADSs"), each representing five (5) Ordinary Shares of the Company, par value of ₹2 per share (the "Ordinary Shares"), from the NYSE; (ii) deregister such ADSs, its Ordinary Shares underlying such ADSs, and its 'A' Ordinary Shares, par value of ₹2 per share, issued in connection with the 2015 rights offering by the Company ("A' Ordinary Shares", and together with the ADSs and the Ordinary Shares underlying such ADSs, the "Securities") from the U.S. Securities and Exchange Commission (the "SEC"); and (iii) terminate its reporting obligations under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, the Company filed a Form 25 with the SEC on January 13, 2023 to delist its ADSs from the NYSE and the last trading day of the ADSs on the NYSE was January 23, 2023. Once the Company satisfies the conditions for deregistration, the Company will file a Form 15F with the SEC to deregister the Securities and to terminate its reporting obligations under the Exchange Act. Thereafter, all the Company's reporting obligations under the Exchange Act will be suspended. The deregistration and termination of its reporting obligations under the Exchange Act is effective ninety (90) days after filing of the Company's Form 15F.

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

	As at March 31,			
	2023		2022	
	% of Issued Share Capital	No. of Shares	% of Issued Share Capital	No. of Shares
(i) Ordinary shares :				
(a) Tata Sons Private Limited	43.72%	1,45,21,13,801	43.73%	1,45,21,13,801
(b) Life Insurance Corporation Of India	5.21%	17,30,87,356	4.75%	15,77,82,041
(c) Citibank N.A. as Depository	*	*	#	17,09,78,800
(ii) 'A' Ordinary shares :				
(a) Tata Sons Private Limited	7.57%	3,85,11,281	7.57%	3,85,11,281
(b) ICICI Prudential Equity & Debt Fund	20.49%	10,41,76,790	15.86%	8,06,52,318
#	held by Citibank, N.A. as depository for American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)			
*	Less than 5%			

(k) 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.

(l) Disclosure of Shareholding of Promoters

As at March 31,					% change during the year
Promoter name	2023		2022		
	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital	
(i) Ordinary shares :					
Tata Sons Private Limited	1,45,21,13,801	43.72%	1,45,21,13,801	43.73%	-
(ii) 'A' Ordinary shares :					
Tata Sons Private Limited	3,85,11,281	7.57%	3,85,11,281	7.57%	-

As at March 31,					% change during the year
Promoter name	2022		2021		
	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital	
(i) Ordinary shares :					
Tata Sons Private Limited	1,45,21,13,801	43.73%	1,45,21,13,801	43.73%	-
(ii) 'A' Ordinary shares :					
Tata Sons Private Limited	3,85,11,281	7.57%	3,85,11,281	7.57%	-

TATA MOTORS LIMITED
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21. A) Other components of equity

(a) The movement of Equity instruments through Other Comprehensive Income is as follows:

	(₹ in crores)	
	Year ended March 31,	
	2023	2022
Balance at the beginning	606.03	287.70
Other comprehensive (loss)/income for the year	(134.12)	371.29
Income tax relating to loss/gain arising on other comprehensive income where applicable	39.47	(52.96)
Balance at the end	<u>511.38</u>	<u>606.03</u>

(b) The movement of Hedging reserve is as follows:

	Year ended March 31,	
	2023	2022
Balance at the beginning	(13.80)	(101.17)
Gain/(loss) recognised on cash flow hedges	71.59	136.87
Income tax relating to gain/(loss) recognised on cash flow hedges	(20.09)	(47.83)
(Gain)/loss reclassified to profit or loss	0.90	(2.57)
Income tax relating to (gain)/loss reclassified to profit or loss	(0.23)	0.90
Balance at the end	<u>38.37</u>	<u>(13.80)</u>

(c) The movement of Cost of Hedging reserve is as follows:

	Year ended March 31,	
	2023	2022
Balance at the beginning	(87.12)	(0.80)
Gain/(loss) recognised on cash flow hedges	(306.09)	(133.90)
Income tax relating to gain/(loss) recognised on cash flow hedges	77.03	46.78
(Gain)/loss reclassified to profit and loss	133.90	1.22
Income tax relating to gain/(loss) reclassified to profit and loss	(46.78)	(0.42)
Balance at the end	<u>(229.06)</u>	<u>(87.12)</u>

(d) Summary of Other components of equity:

	Year ended March 31,	
	2023	2022
Equity instruments through other comprehensive income	511.38	606.03
Hedging reserve	38.37	(13.80)
Cost of hedging reserve	(229.06)	(87.12)
Total	<u>320.69</u>	<u>505.11</u>

(B) Notes to reserves

a) Capital redemption reserve

The Indian Companies Act, 2013 (the "Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. Tata Motors Limited established this reserve pursuant to the redemption of preference shares issued in earlier years.

b) Debenture redemption reserve (DRR)

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve may not be utilised by the Company except to redeem debentures. No DRR is required for debentures issued after August 16, 2019.

c) Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium.

d) Retained earnings

Retained earnings are the profits that the Company has earned till date, add/(less) any transfers from/(to) general reserve, securities premium and debenture redemption reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement gain/(loss) on defined benefit obligations, net of taxes that will not be reclassified to Profit and Loss.

e) Capital reserve

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid/received or vice versa in a common control sale/transfer of business/investment.

f) 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.

e) 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 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 of the said profits, it may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and Payment of Dividend) Rules, 2014. Accordingly, in certain years the net income reported in this Financial Statements may not be fully distributable.

For the year ended March 31, 2023, the Board of Directors has recommended a final dividend of ₹ 2.00 per share on Ordinary shares and ₹ 2.10 per share on 'A' Ordinary shares subject to approval from shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of ₹ 771.07 crores (March 31, 2022: Nil).

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	(₹ in crores)	
	As at March 31,	
	<u>2023</u>	<u>2022</u>
22. Long-term borrowings		
Secured:		
(a) Privately placed Non-Convertible Debentures (refer note 23 I (ii) below)	-	998.64
(b) Term loans:		
(i) from financial institutions	-	1,345.11
(ii) others (refer note 23 I (i) (a) below)	<u>46.31</u>	<u>40.64</u>
	<u>46.31</u>	<u>2,384.39</u>
Unsecured:		
(a) Privately placed Non-Convertible Debentures (refer note 23 I (ii) below)	<u>2,096.88</u>	2,895.88
(b) Term loan from banks		
(i) Buyer's line of credit (at floating interest rate) (refer note 23 I (v) below)	<u>1,850.00</u>	2,883.33
(ii) External commercial borrowings (ECB) (at floating interest rate) (refer note 23 I (iv) below)	<u>1,943.80</u>	1,788.35
(c) Senior Notes (refer note 23 I (iii) below)	<u>4,508.71</u>	4,150.79
	<u>10,399.39</u>	<u>11,718.35</u>
Total	<u><u>10,445.70</u></u>	<u><u>14,102.74</u></u>

	As at March 31,	
	<u>2023</u>	<u>2022</u>
23. Short-term borrowings		
Secured:		
Loans from banks (refer note II (i) below)	-	568.14
	-	568.14
Unsecured:		
(a) Loans from banks (refer note II (i) below)	-	75.80
(b) Inter corporate deposits from subsidiaries and associates (refer note II (ii) below)	<u>5,398.75</u>	4,466.00
(c) Commercial paper (refer note II (iii) below)	-	895.03
(d) Collateralized debt obligations (refer note II (iv) below)	<u>528.17</u>	-
	<u>5,926.92</u>	5,436.83
Current maturities of long-term borrowings (refer note below)	<u>2,499.82</u>	3,124.94
Total	<u><u>8,426.74</u></u>	<u><u>9,129.91</u></u>

	As at March 31,	
	<u>2023</u>	<u>2022</u>
Note:		
Details of Current maturities of long-term borrowings :		
(i) Non Convertible Debentures (Unsecured) (refer note I (ii) below)	<u>800.00</u>	899.94
(ii) Non Convertible Debentures (Secured) (refer note I (ii) below)	<u>999.82</u>	-
(iii) Loans from financial institutions (Secured)	-	1,050.00
(iv) Buyers Credit (Capex) (Unsecured) (refer note I (v) below)	<u>700.00</u>	1,175.00
	<u><u>2,499.82</u></u>	<u><u>3,124.94</u></u>

I. Information regarding long-term borrowings

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

- (a) The term loan of **₹112.82 crores** (recorded in books at **₹46.30 crores**) is due for repayment from the quarter ending June 30, 2030 to December 31, 2037, 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.

TATA MOTORS LIMITED
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(ii) **Schedule of repayment and redemption for Non-Convertible Debentures :**

		(₹ in crores)
		As at March 31,
		2023
Non-Convertible Debentures (NCDs)	Redeemable on	
Secured :		
8.80% Non-Convertible Debentures (2023)	May 26, 2023	1,000.00
Debt issue cost		(0.18)
Total		999.82
The 8.80% Non-convertible Debentures are secured by a charge over Company's leasehold land together with building structures, plant and machinery, fixtures and other assets.		
		As at March 31,
		2023
Unsecured :	Redeemable on	
8.50% Non-Convertible Debentures (2027)	January 29, 2027	250.00
8.50% Non-Convertible Debentures (2026)	December 30, 2026	250.00
6.60% Non-Convertible Debentures (2026)	May 29, 2026	500.00
6.95% Non-Convertible Debentures (2026)	March 31, 2026	500.00
9.77% Non-Convertible Debentures (2024)	September 12, 2024	200.00
9.81% Non-Convertible Debentures (2024)	August 20, 2024	300.00
9.54% Non-Convertible Debentures (2024)	June 28, 2024	100.00
9.35% Non-Convertible Debentures (2023)	November 10, 2023	400.00 *
9.31% Non-Convertible Debentures (2023)	September 29, 2023	200.00 *
9.27% Non-Convertible Debentures (2023)	June 30, 2023	200.00 *
Debt issue cost		(3.12)
Total		2,896.88

* Classified as Current maturities of long-term borrowings (refer note 23) being maturity before March 31, 2024.

(iii) **Schedule of repayment of Senior Notes:**

				(₹ in crores)	
				As at March 31,	
				2023	2022
	Redeemable on	Currency	Amount (in million)		
5.750% Senior Notes	October 30, 2024	USD	250	2,049.47	1,886.33
5.875% Senior Notes	May 20, 2025	USD	300	2,459.24	2,264.46
				4,508.71	4,150.79

(iv) The external commercial borrowings of USD 250 million (**₹1,943.80 crores**) bearing floating interest rate of 3 months LIBOR+128bps is due for repayment in June 2025.

(v) The buyer's line of credit from banks bearing floating interest ranging from 6.30% to 8.80%, amounting to **₹1,850.00 crores** is repayable within a maximum period of seven years from the drawdown dates. All the repayments are due from period ending September 30, 2024 to November 30, 2026. The Buyer's line of credit of **₹700.00 crores** classified under Short Term Borrowings-current being maturity before March 31, 2024.

II. Information regarding short-term borrowings

- (i) Loans, cash credits, overdrafts and buyers line of credit from banks bearing fixed interest rate from 4.00% to 7.45% 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 5% to 7.05%.
- (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 4.58% to 4.67%
- (iv) Loan from bank is availed as per the requirements of the Company at interest rates mutually agreed at the time of drawing the facility with interest rates varying from 5.90% - 7.00%

III. Collateral

		(₹ in crores)	
		As at March 31,	
		2023	2022
Assets pledged as collateral/security against borrowings			
Inventory		-	648.00
Property, plant and equipment		1,250.00	4,250.00
Total		1,250.00	4,898.00

(i) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

Annual disclosure for reporting of fund raising of issuance of Debt Securities by Large Corporate :

		(₹ in crores)	
		Year ended March 31,	
		2023	2022
(i)	Incremental borrowing done (a)	-	2,000.00
(ii)	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	-	500.00
(iii)	Actual borrowings done through debt securities (c)	-	1,000.00
(iv)	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	-	-
(v)	Reasons for short fall, if any, in mandatory borrowings through debt securities	-	-

TATA MOTORS LIMITED
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V. Reconciliation of movements of liabilities to cash flows arising from financing activities			(₹ in crores)
	Short-term borrowings	Long-term borrowings *	Total
Balance at April 1, 2021	2,542.50	19,206.22	21,748.72
Proceeds from issuance of debt	5,137.27	1,999.79	7,137.06
Repayment of financing	(1,666.02)	(3,482.07)	(5,148.09)
Foreign exchange	-	211.00	211.00
Amortisation / EIR adjustments of prepaid borrowings (net)	3.72	(163.70)	(159.98)
Adjustments due to conversion of Joint Operation to Joint Venture	(12.50)	(543.56)	(556.06)
Balance at March 31, 2022	<u>6,004.97</u>	<u>17,227.68</u>	<u>23,232.65</u>
 Balance at March 31, 2022	 6,004.97	 17,227.68	 23,232.65
Proceeds from issuance of debt	52.35	8.99	61.34
Repayment of financing	(111.33)	(4,808.33)	(4,919.66)
Foreign exchange	-	503.39	503.39
Amortisation / EIR adjustments of prepaid borrowings (net)	(19.07)	13.79	(5.28)
Balance at March 31, 2023	<u>5,926.92</u>	<u>12,945.52</u>	<u>18,872.44</u>

* includes current maturities of long term borrowings

TATA MOTORS LIMITED
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24. Trade payables

(₹ in crores)

As at March 31, 2023						
	Not due	Overdue				
		Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues of micro and small enterprises						
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	88.04	22.26	4.25	0.12	-	114.67
Total	88.04	22.26	4.25	0.12	-	114.67
Outstanding dues other than micro and small enterprises						
(a) Disputed dues	-	-	0.01	-	0.02	0.03
(b) Undisputed dues	4,866.87	2,102.78	51.91	16.94	9.40	7,047.90
Total	4,866.87	2,102.78	51.92	16.94	9.42	7,047.93
Balance as at March 31, 2023						
	4,954.91	2,125.04	56.17	17.06	9.42	7,162.60
As at March 31, 2022						
	Not due	Overdue				
		Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues of micro and small enterprises						
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	87.17	40.55	2.00	5.69	10.70	146.11
Total	87.17	40.55	2.00	5.69	10.70	146.11
Outstanding dues other than micro and small enterprises						
(a) Disputed dues	-	-	-	0.09	-	0.09
(b) Undisputed dues	4,886.68	1,029.13	8.44	5.25	26.40	5,955.90
Total	4,886.68	1,029.13	8.44	5.34	26.40	5,955.99
Balance as at March 31, 2022						
	4,973.85	1,069.68	10.44	11.03	37.10	6,102.10

25. Other financial liabilities – non-current

	As at March 31,	
	<u>2023</u>	<u>2022</u>
(a) Derivative financial instruments	142.03	77.00
(b) Liability towards employee separation scheme	89.01	109.50
(c) Option premium payable	122.79	209.28
(d) Others	60.61	64.59
Total	414.44	460.37

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		(₹ in crores)	
		As at March 31,	
		<u>2023</u>	<u>2022</u>
26.	Other financial liabilities – current		
	(a) Interest accrued but not due on borrowings	303.09	348.48
	(b) Liability for capital expenditure (refer note below)	372.53	119.38
	(c) Deposits and retention money	433.45	452.06
	(d) Derivative financial instruments	40.95	2.79
	(e) Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 not due		
	(i) Unpaid dividends	1.48	1.48
	(ii) Unpaid debentures and interest thereon	0.18	0.18
	(f) Liability towards employee separation scheme	24.12	29.18
	(g) Option premium payable	104.14	95.02
	(h) Others	20.24	64.69
	Total	<u><u>1,300.18</u></u>	<u><u>1,113.26</u></u>

Note:

Includes ₹19.54 crores (₹21.49 crores as at March 31, 2022) outstanding towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT 2006.

27. Provisions

(a) Accounting policy

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

Product warranty expenses

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

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

Provision for onerous obligations

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

(b) Provisions-non current

		(₹ in crores)	
		As at March 31,	
		<u>2023</u>	<u>2022</u>
	(a) Employee benefits obligations	871.80	771.45
	(b) Warranty	716.95	702.66
	Total	<u><u>1,588.75</u></u>	<u><u>1,474.11</u></u>

(c) Provisions-current

		As at March 31,	
		<u>2023</u>	<u>2022</u>
	(a) Warranty	389.84	572.96
	(b) Employee benefits obligations	14.53	11.85
	(c) Others	4.52	23.25
	Total	<u><u>408.89</u></u>	<u><u>608.06</u></u>

Note:

Warranty provision movement

	Year ended March 31, 2023
	<u>Warranty</u>
Balance at the beginning	1,275.62
Provision made during the year	1,059.99
Provision used during the year	(1,104.32)
Impact of discounting	(124.50)
Balance at the end	<u><u>1,106.79</u></u>
Current	389.84
Non-current	716.95

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28. Income taxes

(a) Accounting policy

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in the statement of Profit and Loss except when they relate to items that are recognised outside of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit and loss. Current income taxes are determined based on respective taxable income of each taxable entity.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognised to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

Deferred tax liabilities on taxable temporary differences arising from interests in joint arrangements are not recognised if the Company is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

(b) The reconciliation of income tax expense calculated as per tax rates applicable to individual entities with income tax expense is as follows:

	(₹ in crores)	
	Year ended March 31,	
	2023	2022
Profit/(Loss) before tax from continuing operations	1,254.80	(1,640.05)
Profit/(Loss) before tax from discontinued operations	-	392.51
Profit/(Loss) before tax	1,254.80	(1,247.54)
Income tax expense at tax rates applicable to individual entities	315.81	(440.02)
Provision/reversal for loan given to/investment in/cost of closure of subsidiary companies	1.15	(244.31)
Undistributed earnings of joint operations	67.61	47.41
Deferred tax assets recognised on Unabsorbed Depreciation and others (refer note 2 below)	(1,757.24)	-
Deferred tax assets recognised on Long term capital loss (refer note 2 below)	(150.48)	-
Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(364.72)	(585.31)
Profit on sale of investments in a subsidiary company and other investments	-	(0.88)
Impact of change in rates on moving to new tax regime (refer note 1 and 2 below)	292.30	-
Profit on Sale of PV undertaking	-	1,282.92
Others	122.24	83.51
Income tax expense reported in statement of profit and loss	(1,473.33)	143.32

Note:

- (1) The company has opted for the New Tax Regime inserted by section 115BAA of the Income Tax Act, 1961 ("Act") and enacted by the Taxation Laws (Amendment) Ordinance, 2019 ("the Ordinance") which is applicable from Financial year beginning April 1, 2019. It has accordingly applied the tax rate as applicable under the provision of section 115BAA of the Act, in the financial statement for the year ended March 31, 2023.
- (2) During the year ended March 31, 2023, the Company recognised Deferred Tax Assets on previously unrecognised unused unabsorbed depreciation and long term capital losses incurred in the current year based on the probability of sufficient taxable profit in future periods, mostly those arising from planned divestments which will yield capital gains against which such unabsorbed depreciation and capital loss will be set off. Accordingly, ₹1,615.42 Crores deferred tax has been recognised as at March 31, 2023.

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28. Income taxes (continued)

(₹ in crores)

(c) Significant components of deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

	Opening balance	Impact of change in tax rates recognised in statement of profit and loss (Refer Note 28 (b) (1))	Recognised in statement of profit and loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:					
Unabsorbed depreciation	2,221.74	(873.80)	1,485.39	-	2,833.33
Other tax losses - Long term capital loss	-	-	150.49	-	150.49
Expenses deductible in future years:					
- provisions, allowances for doubtful receivables and others	404.47	(113.05)	22.78	-	314.20
Compensated absences and retirement benefits	158.29	(42.35)	24.90	(4.51)	136.33
Derivative financial instruments	106.48	(29.78)	108.51	9.93	195.14
Unrealised profit on inventory	(0.84)	-	(0.97)	-	(1.81)
Others	100.69	(27.80)	(2.74)	-	70.15
Total deferred tax assets	2,990.83	(1,086.78)	1,788.36	5.42	3,697.83
Deferred tax liabilities:					
Property, plant and equipment	2,075.35	(564.86)	33.42	-	1,543.91
Intangible assets	787.61	(220.62)	(24.72)	-	542.27
Undistributed earnings in joint operations	90.93	40.07	8.13	-	139.13
Others	210.67	(49.07)	(75.70)	(39.47)	46.42
Total deferred tax liabilities	3,164.56	(794.48)	(58.87)	(39.47)	2,271.73
Net Deferred tax assets / (liabilities)	(173.73)	(292.30)	1,847.23	44.89	1,426.10
Deferred tax assets					1,477.26
Deferred tax liabilities					51.16

* Net of ₹ 59.48 crores reversed on dividend distribution by Joint Operation.

As at March 31, 2023, unrecognised deferred tax assets amount to ₹2,010.29 crores which can be carried forward to a specified period. These relate primarily to other deductible temporary differences and business losses. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

As at March 31, 2023 unrecognised deferred tax assets expire unutilised based on the year of origination as follows:

<u>March 31,</u>	(₹ in crores)
2025	418.88
2027	306.01
2028	829.14
Thereafter	456.26

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

(₹ in crores)

	Opening balance	Recognised in profit and loss	Recognised in/reclassified from OCI	Adjustments due to conversion of Joint Operation to Joint Venture	Movement due to assets and liabilities transferred to Tata Motors Passenger Vehicles Ltd	Closing balance
Deferred tax assets:						
Unabsorbed depreciation	2454.41	(115.18)	-	(40.09)	(77.40)	2,221.74
Business loss carry forwards	1715.83	13.30	-	-	(1,729.13)	-
Expenses deductible in future years:						
- provisions, allowances for doubtful receivables and others	488.57	(11.09)	-	(0.68)	(72.33)	404.47
Compensated absences and retirement benefits	159.35	(21.51)	20.64	(0.19)	-	158.29
Minimum alternate tax carry-forward	0.77	-	-	-	-	0.77
Derivative financial instruments	119.9	(12.85)	(0.57)	-	-	106.48
Unrealised profit on inventory	2.97	1.10	-	(4.91)	-	(0.84)
Others	119.59	(2.37)	-	(16.05)	(1.25)	99.92
Total deferred tax assets	5,061.39	(148.60)	20.07	(61.92)	(1,880.11)	2,990.83
Deferred tax liabilities:						
Property, plant and equipment	2603.99	44.42	-	(55.55)	(517.52)	2,075.35
Intangible assets	2451.61	(300.13)	-	(1.28)	(1,362.59)	787.61
Undistributed earnings in joint operations	222.28	47.41	-	(178.76)	-	90.93
Others	50.01	107.70	52.97	-	-	210.67
Total deferred tax liabilities	5,327.89	(100.60)	52.97	(235.59)	(1,880.11)	3,164.55
Deferred tax liabilities	(266.50)	(48.00)	(32.90)	173.67	-	(173.72)

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		(₹ in crores)	
		As at March 31,	
		<u>2023</u>	<u>2022</u>
29. Other non-current liabilities			
(a) Contract liabilities (note (a) below)		637.58	430.95
(b) Government incentives		23.23	32.81
(c) Employee Benefit Obligations - Funded		20.35	39.45
(d) Others		10.92	10.92
Total		<u>692.08</u>	<u>514.13</u>

		As at March 31,	
		<u>2023</u>	<u>2022</u>
30. Other current liabilities			
(a) Contract liabilities (note (a) below)		1,022.84	922.20
(b) Statutory dues (GST,VAT etc)		1,263.05	933.09
(c) Government incentives (note (b) below)		178.09	153.84
(d) Others		47.10	38.14
Total		<u>2,511.08</u>	<u>2,047.27</u>

Note:

		As at March 31,	
		<u>2023</u>	<u>2022</u>
(a) Contract liabilities			
Opening contract liabilities		1,353.15	1,452.35
Amount recognised in revenue		(498.54)	(363.24)
Assets transferred to Tata Motors Passenger Vehicles Limited		-	(383.84)
Amount received in advance during the year		881.12	800.00
Amount refunded to customers		(75.31)	(152.12)
Closing contract liabilities		<u>1,660.42</u>	<u>1,353.15</u>

		As at March 31,	
		<u>2023</u>	<u>2022</u>
Advances received from customers	Current	749.89	763.48
Deferred revenue	Current	272.95	158.72
	Non-current	637.58	430.95
		<u>1,660.42</u>	<u>1,353.15</u>

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, 2023 till March 31, 2029.

- (b) Government incentives include ₹167.96 crores as at March 31, 2023 (₹143.16 crores as at March 31, 2022) 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.

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31. Revenue recognition
(a) Accounting policy

The Company generates revenue principally from-

i) Sale of products - commercial vehicles and vehicle parts

The Company recognises revenues from sale of products measured at the amount of transaction price (net of variable consideration), when it satisfies its performance obligation at a point in time which is when products are delivered to dealers or when delivered to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer, and when there are no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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

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

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

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

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

When the Company sells products that are bundled with maintenance service or extended period of warranty, such services are treated as a separate performance obligation only if the service or warranty is optional to the customer or includes an additional service component. In such cases, the transaction price allocated towards such maintenance service or extended period of warranty based on relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

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

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

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

		(₹ in crores)	
		Year ended March 31,	
		<u>2023</u>	<u>2022</u>
(b) Revenue From Operations			
(a) Sale of products (refer note 1 and 2 below)			
(i) Vehicles		54,581.45	39,555.18
(ii) Spare parts		7,172.69	4,881.81
(iii) Miscellaneous products		2,274.62	1,733.92
Total Sale of products		64,028.76	46,170.91
(b) Sale of services		1,270.08	710.06
Revenue		65,298.84	46,880.97
(c) Other operating revenues (refer note 3 below)		458.49	382.71
Total		<u>65,757.33</u>	<u>47,263.68</u>
Note:			
(1) Includes variable marketing expenses netted off against revenue		(14,222.59)	(9,963.06)
(2) Includes exchange loss (net) on hedges reclassified from hedge reserve to statement of profit and loss		(0.44)	(0.98)
(3) Includes profit on sale of properties		102.75	65.48

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32. Other income

(a) Accounting policy

Government Grants and Incentives

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

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

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

(b) Other income

	(₹ in crores)	
	Year ended March 31,	
	<u>2023</u>	<u>2022</u>
(a) Interest income	245.42	276.57
(b) Dividend income (refer note below)	187.52	80.08
(c) Government incentives	309.37	183.29
(d) Profit on sale of investments at FVTPL (net)	71.82	109.82
(e) Market-to-market Investments measured at FVTPL	6.81	10.16
Total	<u><u>820.94</u></u>	<u><u>659.91</u></u>

Note:

Includes :

(a) Dividend from subsidiary companies and associates	145.17	53.03
(b) From investment measured at FVTOCI	42.35	27.05

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33. Employee benefits expense

	(₹ in crores)	
	Year ended March 31,	
	<u>2023</u>	<u>2022</u>
(a) Salaries, wages and bonus *	3,364.21	2,993.01
(b) Contribution to provident fund and other funds	232.45	218.75
(c) Staff welfare expenses	424.97	389.75
Total	4,021.63	3,601.51

* The amount of ₹20.46 crores and ₹16.73 crores has accrued for the year ended March 31, 2023 and 2022, respectively towards share based payments.

(A) Share based payments
Accounting policy

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.

Equity-settled share option plan
(i) Tata Motors Limited Employees Stock Option Scheme 2018

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 three years from date of grant up to five 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,	
	<u>2023</u>	<u>2022</u>
Option exercisable at the beginning of the year	66,62,551	68,04,003
Granted during the year	-	3,35,209
Forfeited/Expired during the year	(30,45,214)	(1,22,419)
Exercised during the year	(7,53,622)	(3,54,242)
Option exercisable at the end of the year	28,63,715	66,62,551
Number of shares to be issued for outstanding options (conditional on performance measures)		
Maximum	42,95,573	99,93,827
Minimum	14,31,858	33,31,276
Share price for options exercised during the year	372 - 490	392 - 530
Remaining contractual life	3 months	3 - 15 months

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.

	Estimate Year ended March 31,	
Assumption factor	<u>2023</u>	<u>2022</u>
Risk free rate	7%-8%	7%-8%
Expected life of option	2-4 years	2-4 years
Expected volatility	33%- 37%	33%- 37%
Share price	170.60	170.60

Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly-traded equity shares during a period equivalent to the expected term of the options.

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Share based payments (continued)

(ii) Share-based Long Term Incentive Scheme 2021

The Company has granted Performance Stock Units ("PSUs") and Employee Stock Options ("ESOs") to its employees under the Tata Motors Limited Share-based Long Term Incentive Scheme 2021 ("TML SLTI Scheme 2021" or "Scheme").

As per the scheme, the number of shares that will vest is conditional upon certain performance measures determined by Nomination and Remuneration Committee (NRC). The performance is measured over vesting period of the options granted. 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 ₹338/- for ESOs and ₹2/- for PSUs. Option granted will vest after three years from date of grant. Number of shares that will vest range from 0.5 to 1.2 per option granted depending on performance measures.

PSUs and ESOs are exercisable within one year from the date of vesting.

	Year ended March 31, 2023		Year ended March 31, 2022	
Reconciliation of outstanding ESOs/ PSUs	ESOs	PSUs	ESOs	PSUs
	No of options	No of options	No of options	No of options
(i) Option exercisable at the beginning of the year	8,39,650	9,64,569	-	-
(ii) granted during the year	-	6,59,186	8,39,650	9,64,569
(iii) forfeited during the year	(78,822)	(92,349)	-	-
(iv) exercised during the year	-	-	-	-
(v) Option exercisable at the end of the year	7,60,828	15,31,406	8,39,650	9,64,569
(vi) Remaining contractual life	16 Months	28 Months	28 Months	28 Months

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.

Assumption factor

Risk free interest rate
Expected life of option
Expected volatility
Share price

Granted during Year ended March 31, 2023	Granted during Year ended March 31, 2022	
PSUs	ESOs	PSUs
5.3%	5.3%	5.3%
4 years	3.8 years	3.8 years
52.0%	50.7%	50.7%
453.40	376.40	376.40

Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly-traded equity shares during a period equivalent to the expected term of the options.

(B) Employee benefits

(a) Accounting policy

(i) Gratuity

Tata Motors Limited and its Joint operation 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.

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(ii) Superannuation

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

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

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

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

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

(iii) Bhavishya kalyan yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of Tata Motors Limited. The benefits of the plan include pension in certain cases, payable up to the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is greater. Tata Motors Limited account for the liability for BKY benefits payable in the future based on an actuarial valuation.

(iv) Provident fund and family pension

In accordance with Indian law, eligible employees of Tata Motors Limited and 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, were made to the provident fund and pension fund set up as an irrevocable trust 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, was not to 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, was made good by the Company. The embedded interest rate guarantee is considered to be defined benefit.

The provident fund trust and pension trust set up by Tata Motors Limited (the "Company") have lost its exempt status w.e.f. April 1, 2022, due to incurrance of losses for three consecutive years by the Company, as per its standalone financial statements prepared in accordance with Indian Accounting Standards. Accordingly, the Company has surrendered the provident fund exemption and transferred the assets and obligations of the trust to the government managed provident fund. With this transfer of assets and obligations, the Company will no longer be obligated to provide any interest rate guarantee and accordingly, the provident fund is considered as a defined contribution scheme from April 1, 2022. As regards pension, the Company is still maintaining the pension fund, as an ad interim measure, since EPFO has still not accepted the transfer of pension fund/corpus to its statutory pension fund.

(v) Post-retirement medicare scheme

Under this unfunded scheme, employees of Tata Motors Limited receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. Tata Motors Limited account for the liability for post-retirement medical scheme based on an actuarial valuation.

(vi) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

(vii) Remeasurement gains and losses

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognised directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to statement of Profit and Loss.

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

(viii) Measurement date

The measurement date of retirement plans is March 31.

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

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

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(b) Employee benefits consists of the following:

(i) Defined Benefit Plan

Pension and post retirement medical plans

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

	Pension Benefits *		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	1,103.17	1,189.05	249.65	171.78
Current service cost	66.60	70.07	11.91	7.79
Interest cost	75.36	74.31	17.30	11.03
Remeasurements (gains) / losses				
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.81)	4.25	0.30	5.86
Actuarial losses arising from changes in financial assumptions	11.48	7.12	13.58	26.24
Actuarial (gains) / losses arising from changes in experience adjustments	14.22	77.40	19.50	32.70
Transfer out of liability	(13.91)	(256.65)	(2.24)	(11.83)
Benefits paid from plan assets	(52.74)	(67.75)	-	-
Benefits paid directly by employer	(10.22)	(10.26)	(14.97)	(16.87)
Past service cost- plan amendments	-	30.47	32.84	22.94
Adjustments due to conversion of Joint Operation to Joint Venture	-	(14.84)	-	-
Defined benefit obligation, end of the year	1,193.15	1,103.17	327.87	249.65
Change in plan assets:				
Fair value of plan assets, beginning of the year	915.46	1,100.28	-	-
Adjustments due to conversion of Joint Operation to Joint Venture	-	(14.10)	-	-
Interest income	67.11	70.40	-	-
Return on plan assets, (excluding amount included in net Interest expense)	(2.25)	9.13	-	-
Employer's contributions	136.63	42.55	-	-
Transfer out of liability	(12.07)	(225.05)	-	-
Benefits paid	(52.74)	(67.75)	-	-
Fair value of plan assets, end of the year	1,052.14	915.46	-	-
	Pension Benefits *		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Amount recognised in the balance sheet consists of				
Present value of defined benefit obligation	1,193.15	1,103.17	327.87	249.65
Fair value of plan assets	1,052.14	915.46	-	-
	(141.01)	(187.71)	327.87	249.65
Asset ceiling	(3.69)	(3.34)	-	-
Net liability	(144.70)	(191.05)	327.87	249.65
Amounts in the balance sheet:				
Non-current assets	31.91	0.16	-	-
Non-current liabilities	(176.61)	(191.21)	327.87	249.65
Net liability	(144.70)	(191.05)	327.87	249.65

* Includes Gratuity, Superannuation and BKY

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

	(₹ in crores)	
	Pension Benefits *	
	As at March 31,	
	2023	2022
Defined benefit obligation	38.51	887.73
Fair value of plan assets	34.08	863.41

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

	Pension Benefits *	
	As at March 31,	
	2023	2022
Defined benefit obligation	982.47	48.87
Fair value of plan assets	1,018.06	52.05

Information for unfunded plans:

	Pension Benefits *		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Defined benefit obligation	172.17	166.57	327.87	249.65

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

	Pension Benefits *		Post retirement medical Benefits	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2022
Service cost	66.60	70.07	11.91	7.79
Net interest cost	8.24	3.92	17.30	11.03
Past service cost- plan amendments	-	30.47	32.84	22.94
Net periodic cost	74.84	104.46	62.05	41.76

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

	Pension Benefits *		Post retirement medical Benefits	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2022
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	2.25	(9.13)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.81)	4.25	0.30	5.86
Actuarial (gains)/losses arising from changes in financial assumptions	11.48	7.12	13.58	26.24
Asset ceiling	0.35	0.49	-	-
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	14.22	77.40	19.50	32.70
Total recognised in other comprehensive income	27.49	80.12	33.38	64.81
Total recognised in statement of comprehensive income	102.34	184.57	95.43	106.57

* Includes Gratuity, Superannuation and BKY

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The assumptions used in accounting for the pension and post retirement medical plans are set out below:

	Pension Benefits *		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Discount rate	7.1% - 7.3%	6.5% - 7.1%	7.3%	7.2%
Rate of increase in compensation level of covered employees	6.0% - 12.0%	6.0% - 9.0%	NA	NA
Increase in health care cost	NA	NA	6.0%	6.0%

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2023 and 2022 by category are as follows:

	Pension Benefits *	
	As at March 31,	
	2023	2022
Asset category:		
Cash and cash equivalents	10.6%	2.5%
Debt instruments (quoted)	67.3%	66.6%
Debt instruments (unquoted)	0.5%	0.0%
Equity instruments (quoted)	8.5%	8.0%
Deposits with Insurance companies	13.1%	22.8%
	100.0%	100.0%

* Includes Gratuity, Superannuation and BKY

The Company's policy is driven by considerations of maximising returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published bench marks.

The weighted average duration of the defined benefit obligation as at March 31, 2023 is **10.3 years** (March 31, 2022 : 11.7 years).

The Company expects to contribute **₹59.54 crores** to the funded pension plans in the year ending March 31, 2024.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and health care cost:

Assumption	Change in assumption	Impact on defined benefit obligation	Impact on service cost and interest cost
Discount rate	Increase by 1%	₹ 116.06 crores	₹ 19.54 crores
	Decrease by 1%	₹ 134.41 crores	₹ 20.97 crores
Salary escalation rate	Increase by 1%	₹ 83.92 crores	₹ 17.45 crores
	Decrease by 1%	₹ 75.55 crores	₹ 15.59 crores
Health care cost	Increase by 1%	₹ 41.64 crores	₹ 7.88 crores
	Decrease by 1%	₹ 34.67 crores	₹ 6.44 crores

- (ii) On November 4, 2022, the Hon'ble Supreme Court of India, in the case of Employees' Provident Fund Organisation and Anr. Etc. vs. Sunil Kumar B. and Ors. Etc., passed a judgment upholding the validity of the 2014 amendment to the Employees' Pension Scheme 1995 and allowed the members of statutory pension fund as on September 1, 2014, to exercise the joint option for contribution into the pension fund beyond the statutory limit. The Hon'ble Supreme Court has clearly laid down that it was not addressing the case of the exempted establishments in the said judgment.

The Company has been operating its provident fund and pension scheme as an exempted establishment. The Company has been legally advised that due to the incurrence of losses for three consecutive years, the Company has lost its provident fund and pension fund exemption status w.e.f. April 1, 2022. While the Employees Provident Fund Organization ("EPFO") has already accepted the transfer of entire Provident Fund/ corpus into its statutory provident fund, the Company is still maintaining the pension fund, as an ad interim measure, since EPFO has still not accepted the transfer of pension fund/ corpus to its statutory pension fund.

Pending the transfer of the pension fund, the Company had communicated to its employees that if they wish to avail the option of contributing beyond the statutory limit, they may choose to apply on the EPFO portal to exercise the option, subject to EPFO accepting the joint option. This is also subject to EPFO's decision on applicability, calculation formula, contribution, amount of higher pension and transfer of corpus from statutory provident fund to the statutory pension fund. The EPFO, in compliance with the Supreme Court judgment, has issued various circulars, calling upon eligible pensioners to exercise joint option, however, with no mention with regard to the treatment of the members of the exempted pension funds.

Considering all of the above, and more particularly the fact that the EPFO is in the process of providing clarity on various key elements referred to above, the non-applicability of the Supreme Court judgement to exempted establishments and the legal advice on status of the exemption, the Company believes that no provision is warranted on this matter as of March 31, 2023.

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Provident Fund

The following tables set out the funded status of the defined benefit provident fund plan of Tata Motors Limited and Joint Operation and the amounts recognized in the Company's financial statements.

Particulars	(₹ in crores)	
	Year ended March 31,	
	2023	2022
Change in benefit obligations:		
Defined benefit obligations at the beginning	4,040.00	4,320.88
Balance transferred to government managed provident fund	(3,918.93)	-
Service cost	4.10	125.22
Employee contribution	7.30	287.68
Acquisitions (credit) / cost	-	(799.07)
Transfer in / Transfer out	1.29	-
Interest expense	8.85	353.32
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	1.58	(78.83)
Actuarial (gains) / losses arising from demographic assumptions	-	3.31
Actuarial (gains) / losses arising from changes in financial assumptions	(4.01)	143.83
Benefits paid	(5.53)	(316.32)
Defined benefit obligations at the end	134.65	4,040.00
Change in plan assets:		
Fair value of plan assets at the beginning	4,108.08	4,235.50
Balance transferred to government managed provident fund	(3,990.88)	-
Acquisition Adjustment	-	(799.07)
Transfer in / Transfer out	1.29	-
Interest income	8.58	347.83
Return on plan assets excluding amounts included in interest income	(2.99)	227.47
Contributions (employer and employee)	11.41	412.67
Benefits paid	(5.53)	(316.32)
Fair value of plan assets at the end	129.96	4,108.08
Amount recognised in the balance sheet consists of	As at March 31,	
	2023	2022
Present value of defined benefit obligation	134.65	4,040.00
Fair value of plan assets	129.96	4,108.08
Effect of asset ceiling	-	(71.90)
Net liability	(4.69)	(3.82)
Non-Current liability	(4.69)	(3.82)

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(₹ in crores)

Net periodic cost for Provident Fund consists of following components:

Service cost
Net interest cost / (income)
Net periodic cost

Year ended March 31,	
<u>2023</u>	<u>2022</u>
4.10	125.22
0.27	5.48
4.37	130.70

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

Remeasurements

Return on plan assets, (excluding amount included in net Interest expense)
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities
Actuarial (gains) / losses arising from changes in financial assumptions
Actuarial (gains) / losses arising from demographic assumptions
Effect of asset ceiling

Year ended March 31,	
<u>2023</u>	<u>2022</u>
2.99	(227.47)
1.58	(78.83)
(4.01)	143.83
-	3.31
-	71.90
0.56	(87.26)
4.93	43.44

Total recognised in other comprehensive income

Total recognised in statement of profit and loss and other comprehensive income

The assumptions used in determining the present value obligation of the Provident Fund is set out below:

Particulars

Discount rate
Expected rate of return on plan assets
Remaining term to maturity of portfolio

As at March 31,	
<u>2023</u>	<u>2022</u>
7.3%	7.1%
8.5%	8.0%
19.0	13.5

The breakup of the plan assets into various categories as at March 31, 2023 is as follows:

Particulars

Central and State government bonds
Government debt instruments
Other debt instruments
Equity instruments
Public sector undertakings and Private sector bonds
Others
Total

As at March 31,	
<u>2023</u>	<u>2022</u>
-	42.7%
50.7%	-
40.1%	-
9.2%	-
-	32.3%
-	25.0%
100.0%	100.0%

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2023, the defined benefit obligation would be affected by approximately **₹10.37 crores** on account of a 1.00% decrease in the expected rate of return on plan assets.

The Company expects to contribute **₹12.55 crores** to the defined benefit provident fund plan in Fiscal 2024.

- (ii) The Company's contribution to defined contribution plan aggregated to **₹179.60 crores** and ₹77.79 crores for the years ended March 31, 2023 and 2022, respectively as below:

Superannuation
Provident fund
Family pension

Year ended March 31,	
<u>2023</u>	<u>2022</u>
16.61	18.36
124.67	6.55
38.32	52.88
179.60	77.79

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34. Finance costs

	(₹ in crores)	
	Year ended March 31,	
	<u>2023</u>	<u>2022</u>
(a) Interest	1,672.59	1,818.74
Add: Exchange fluctuation considered as interest cost	1.37	1.31
Less: Transferred to capital account	(66.48)	(114.79)
	<u>1,607.48</u>	<u>1,705.26</u>
(b) Discounting charges	440.03	416.47
	<u>2,047.51</u>	<u>2,121.73</u>

Note:

The weighted average rate for capitalisation of interest relating to general borrowings were approximately 6.85% and 6.82% for the years ended March 31, 2023 and 2022, respectively.

35. Other expenses

	(₹ in crores)	
	Year ended March 31,	
	<u>2023</u>	<u>2022</u>
(a) Processing charges	1,292.71	1,039.05
(b) Consumption of stores and spare parts	424.32	406.36
(c) Power and fuel	420.98	344.78
(d) Freight, transportation, port charges etc.	1,142.31	1,025.95
(e) Publicity	439.71	321.49
(f) Warranty expenses ^	996.23	717.36
(g) Information technology/computer expenses	770.44	705.47
(h) Allowances made for trade and other receivables (net)	71.55	32.70
(i) Works operation and other expenses (note below)	2,261.49	1,425.55
Total	<u>7,819.74</u>	<u>6,018.71</u>
^ Net of estimated recovery from suppliers	(60.74)	(78.37)

Note:

Works operation and other expenses include:

	Year ended March 31,	
	<u>2023</u>	<u>2022</u>
(a) Auditors' Remuneration (excluding GST)		
(i) Audit Fees	5.37	5.51
(ii) Audit fees for financial statements as per IFRS (including SOX certification) ^	2.00	3.39
(iii) In other Capacities :		
Tax Audit / Transfer Pricing Audit	0.53	0.58
Taxation Matters	0.05	0.05
(iv) Other Services	0.27	0.38
(v) Reimbursement of travelling and out-of-pocket expenses	1.27	0.09
^ Amount paid to KPMG Assurance and Consulting Services LLP		
(b) Cost Auditors' Remuneration (excluding GST)		
Cost Audit Fees	0.25	0.25
(c) Corporate Social Responsibility (CSR) expenditure		

	Year ended March 31,	
	<u>2023</u>	<u>2022</u>
Amount required to be spent by the Company during the year	-	-
Amount of expenditure incurred on*:		
(i) Construction/acquisition of any assets	-	-
(ii) On purposes other than (i) above	20.81	23.70
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Education, skilling, health, environmental sustainability, Rural Development, COVID-19 relief activities	

*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

- (d) Remuneration payable to non- executive independent directors aggregating **₹5.50 crores** (₹2.35 crores for the year March 31, 2022) includes ₹3.28 crores (₹Nil for the year March 31, 2022) of remuneration in respect of Mr. O P Bhatt ₹0.88 crores, Ms. Hanne Birgitte Sorensen ₹0.88 crores, Mr. Mitsuhiro Yamashita ₹0.63 crores and Mr. Al Noor Ramji ₹0.89 crores, which are subject to approval of shareholders.

36. Amount transferred to capital and other accounts

	(₹ in crores)	
	Year ended March 31,	
	<u>2023</u>	<u>2022</u>
(a) Capital work in progress	(145.87)	(101.67)
(b) Intangible asset under development	(464.67)	(322.76)
(c) Product development/Engineering expenses	(456.19)	(480.99)
Total	<u>(1,066.73)</u>	<u>(905.42)</u>

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37. 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, 2023, there are contingent liabilities towards matters and/or disputes pending in appeal amounting to **₹161.94 crores** (₹216.10 crores as at March 31, 2022).

Customs, Excise Duty and Service Tax

As at March 31, 2023, there are pending litigation for various matters relating to customs, excise duty and service taxes involving demands, including interest and penalties, of **₹398.26 crores** (₹610.78 crores as at March 31, 2022). 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.

Sales Tax/VAT

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to **₹932.77 crores** as at March 31, 2023 (₹1,225.74 crores as at March 31, 2022). The details of the demands for more than ₹100 crores are as follows:

The Sales Tax Authorities have raised demand of **₹231.09 crores** as at March 31, 2023 (₹324.00 crores as at March 31, 2022) 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 **₹267.49 crores** as at March 31, 2023 (₹283.62 crores as at March 31, 2022). The reasons for disallowing credit was mainly due to Taxes not paid by Vendors, incorrect method of calculation of set off as per the department, alleging suppression of sales as per the department etc. The matter is contested in appeal.

The Sales Tax authorities have raised demand for Check post/ Entry Tax liability at various states amounting to **₹309.47 crores** as at March 31, 2023 (₹501.38 crores as at March 31, 2022). The company is contesting this issue.

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Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to **₹305.04 crores** as at March 31, 2023 (₹242.66 crores as at March 31, 2022). Following are the cases involving more than ₹100 crores:

As at March 31, 2023, property tax amounting to **₹150.58 crores** (₹100.07 crores as at March 31, 2022) 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.

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. Also refer note 33 (B) (b) (ii) for pension.

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 **₹634.96 crores** as at March 31, 2023 (₹587.13 crores as at March 31, 2022), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of a capital nature amounting to **₹82.91 crores** as at March 31, 2023, (₹102.29 crores as at March 31, 2022), which are yet to be executed.

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38. Earnings/(loss) per Share ("EPS")

(a) Accounting policy

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be antidilutive.

(b) EPS - Continuing operations

		Year ended March 31,	
		2023	2022
(a) Profit/(loss) after tax	₹ crores	2,728.13	(1,739.23)
(b) The weighted average number of Ordinary shares for Basic EPS	Nos.	3,32,11,46,115	3,32,04,02,491
(c) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,85,02,896	50,85,02,896
(d) The nominal value per share (Ordinary and 'A' Ordinary)	₹	2	2
(e) Share of profit / (loss) for Ordinary shares for Basic EPS	₹ crores	2,361.48	(1,508.25)
(f) Share of profit / (loss) for 'A' Ordinary shares for Basic EPS *	₹ crores	366.65	(230.98)
(g) Earnings per Ordinary share (Basic)	₹	7.11	(4.54)
(h) Earnings per 'A' Ordinary share (Basic)	₹	7.21	(4.54)
(i) Profit after tax for Diluted EPS	₹ crores	2,728.13	#
(j) The weighted average number of Ordinary shares for Basic EPS	Nos.	3,32,11,46,115	#
(k) Add: Adjustment for shares held in abeyance	Nos.	4,92,559	#
(l) Add: Adjustment for Options relating to ESOP/PSP	Nos.	12,82,388	#
(m) The weighted average number of Ordinary shares for Diluted EPS	Nos.	3,32,29,21,062	#
(n) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,85,02,896	#
(o) Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	2,33,214	#
(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	2,361.50	#
(r) Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	366.63	#
(s) Earnings per Ordinary share (Diluted)	₹	7.11	(4.54)
(t) Earnings per 'A' Ordinary share (Diluted)	₹	7.21	(4.54)

(c) EPS - Discontinued operations

		Year ended March 31,	
		2023	2022
(a) Profit/(loss) after tax	₹ crores	-	348.37
(b) The weighted average number of Ordinary shares for Basic EPS	Nos.	-	3,32,04,02,491
(c) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	-	50,85,02,896
(d) The nominal value per share (Ordinary and 'A' Ordinary)	₹	-	2
(e) Share of profit / (loss) for Ordinary shares for Basic EPS	₹ crores	-	297.69
(f) Share of profit / (loss) for 'A' Ordinary shares for Basic EPS *	₹ crores	-	50.68
(g) Earnings per Ordinary share (Basic)	₹	-	0.90
(h) Earnings per 'A' Ordinary share (Basic)	₹	-	1.00
(i) Profit after tax for Diluted EPS	₹ crores	-	348.37
(j) The weighted average number of Ordinary shares for Basic EPS	Nos.	-	3,32,04,02,491
(k) Add: Adjustment for shares held in abeyance	Nos.	-	4,92,559
(l) Add: Adjustment for Options relating to ESOP/PSP	Nos.	-	4,98,268
(m) The weighted average number of Ordinary shares for Diluted EPS	Nos.	-	3,32,13,93,318
(n) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	-	50,85,02,896
(o) Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	-	2,33,214
(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	-	297.69
(r) Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	-	50.68
(s) Earnings per Ordinary share (Diluted)	₹	-	0.90
(t) Earnings per 'A' Ordinary share (Diluted)	₹	-	1.00

* '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, 2022 in continued operations, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

39. 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 22 and 23 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,	
		2023	2022
Equity		22,660.54	20,045.07
Short-term borrowings and current maturities of long-term borrowings		8,426.74	9,129.91
Long-term borrowings		10,445.70	14,102.74
Total borrowings		18,872.44	23,232.65
Total capital (Debt + Equity)		41,532.98	43,277.72
Total equity as reported in balance sheet		22,469.85	19,944.15
Hedging reserve		(38.37)	13.80
Cost of Hedge reserve		229.06	87.12
Equity as reported above		22,660.54	20,045.07

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40. Financial instruments

(a) Accounting policy

(i) Recognition:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initial measurement

Financial instruments are initially recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs of financial instruments carried at fair value through profit or loss are expensed in the statement of profit and loss.

Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and measurement – financial assets

Classification of financial assets is based on the business model in which the instruments are held as well as the characteristics of their contractual cash flows. The business model is based on management's intentions and past pattern of transactions. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets are classified into three categories

Financial assets at amortised cost: Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

Equity investments at fair value through other comprehensive income (Equity instruments): These include financial assets that are equity instruments and are designated as such upon initial recognition irrevocably. Subsequently, these are measured at fair value and changes therein are recognised directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognised in the statement of Profit and Loss when the right to receive payment has been established. When the equity investment is derecognised, the cumulative gain or loss in equity is transferred to retained earnings.

Financial assets at fair value through other comprehensive income (Debt instruments): Financial assets having contractual terms that give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows as well as to sell the financial asset, are classified in this category. Subsequently, these are measured at fair value, with unrealised gains or losses being recognised in other comprehensive income apart from any expected credit losses or foreign exchange gains or losses, which are recognised in profit or loss.

Financial assets at fair value through profit and loss: Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in profit and loss.

Classification and measurement – financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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.

Equity instruments: An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(ii) Determination of fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received).

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation methods.

TATA MOTORS LIMITED
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40. Financial instruments (continued)

(a) Accounting policy

(iii) Derecognition of financial assets and financial liabilities:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. Any gain or loss arising on derecognition is recognised in profit or loss. When a financial instrument is derecognised, the cumulative gain or loss in equity is transferred to the statement of profit and loss unless it was an equity instrument electively held at fair value through other comprehensive income. In this case, any cumulative gain or loss in equity is transferred to retained earnings. Financial assets are written off when there is no reasonable expectation of recovery. The Company reviews the facts and circumstances around each asset before making a determination. Financial assets that are written off could still be subject to enforcement activities.

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

(iv) Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost or at fair value through other comprehensive income. Expected credit losses are forward looking and are measured in a way that is unbiased and represents a probability-weighted amount, takes into account the time value of money (values are discounted using the applicable effective interest rate) and uses reasonable and supportable information.

(v) Hedge accounting:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. The Company also uses interest rate swaps to hedge its variability in cash flows from interest payments arising from floating rate liabilities i.e. when interests are paid according to benchmark market interest rates.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

At inception of the hedge relationship, the Company documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of the hedged item. The Company documents its risk management objective and strategy for undertaking its hedging transactions. The Company designates only the intrinsic value of foreign exchange options in the hedging relationship. The Company designates amounts excluding foreign currency basis spread in the hedging relationship for both foreign exchange forward contracts and cross- currency interest rate swaps. Changes in the fair value of the derivative contracts that are designated and effective as hedges of future cash flows are recognised in the cash flow hedge reserve within other comprehensive income (net of tax), and any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts accumulated in equity are reclassified to the statement of Profit and Loss in the periods in which the forecasted transactions occurs.

For forwards and options, forward premium and the time value are not considered part of the hedge. These are treated as cost of hedge and the changes in fair value attributable to forward premium is recognised in the other comprehensive income along with the changes in fair value determined to be effective portion of the hedge.

Effective portion of fair value changes of interest rate swaps that are designated as hedges against interest rate risk arising from floating rate debt are recognised in other comprehensive income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Amounts accumulated in equity are reclassified to the statement of profit and loss in the periods in which the forecast transactions affect profit or loss or as an adjustment to a non-financial item (e.g. inventory) when that item is recognised on the balance sheet. These deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of goods sold). For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is immediately transferred to the statement of Profit and Loss for the year.

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40. (b) Disclosures on financial instruments

(a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2023.

	Cash, and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship (at fair value through profit or loss)	Derivatives in hedging relationship (at fair value)	Total carrying value	(₹ in crores) Total fair value
Financial assets							
(a) Investments - non-current	-	1,204.82	-	-	-	1,204.82	1,204.82
(b) Investments - current	-	-	3,142.96	-	-	3,142.96	3,142.96
(c) Trade receivables	2,307.72	-	-	-	-	2,307.72	2,307.72
(d) Cash and cash equivalents	1,121.43	-	-	-	-	1,121.43	1,121.43
(e) Other bank balances	293.22	-	-	-	-	293.22	293.22
(f) Loans and advances - non-current	114.40	-	-	-	-	114.40	114.40
(g) Loans and advances - current	132.29	-	-	-	-	132.29	132.29
(h) Other financial assets - non-current	1,502.55	-	-	523.18	379.50	2,405.23	2,405.23
(i) Other financial assets - current	216.53	-	-	34.85	3.87	255.25	255.25
Total	5,688.14	1,204.82	3,142.96	558.03	383.37	10,977.32	10,977.32
Financial liabilities							
(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	-	-	-	12,945.52	12,945.52	12,964.78
(b) Lease liabilities- non current	-	-	-	-	305.26	305.26	305.26
(c) Short-term borrowings	-	-	-	-	5,926.92	5,926.92	5,926.92
(d) Lease liabilities- current	-	-	-	-	100.99	100.99	100.99
(e) Trade payables	-	-	-	-	7,162.60	7,162.60	7,162.60
(f) Acceptances	-	-	-	-	5,839.39	5,839.39	5,839.39
(g) Other financial liabilities - non-current	142.03	-	-	-	272.41	414.44	414.44
(h) Other financial liabilities - current	35.45	5.50	-	5.50	1,259.23	1,300.18	1,300.18
Total	177.48	5.50	5.50	5.50	33,812.32	33,995.30	34,014.56

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

	Cash, and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship (at fair value through profit or loss)	Derivatives in hedging relationship (at fair value)	Total carrying value	(₹ in crores) Total fair value
Financial assets							
(a) Investments - non-current	-	1,338.94	-	-	-	1,338.94	1,338.94
(b) Investments - current	-	-	5,143.08	-	-	5,143.08	5,143.08
(c) Trade receivables	2,111.78	-	-	-	-	2,111.78	2,111.78
(d) Cash and cash equivalents	2,450.23	-	-	-	-	2,450.23	2,450.23
(e) Other bank balances	155.20	-	-	-	-	155.20	155.20
(f) Loans and advances - non-current	48.43	-	-	-	-	48.43	48.43
(g) Loans and advances - current	139.37	-	-	-	-	139.37	139.37
(h) Other financial assets - non-current	1,316.92	-	-	258.95	416.65	1,992.52	1,992.52
(i) Other financial assets - current	764.01	-	-	29.04	16.46	809.51	809.51
Total	6,985.94	1,338.94	5,143.08	287.99	433.11	14,189.06	14,189.06

	Derivatives other than in hedging relationship (at fair value)	Derivatives in hedging relationship (at fair value)	Other financial liabilities (at amortised cost)	Total carrying value	Total fair value
Financial liabilities					
(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	-	17,227.68	17,227.68	17,475.16
(b) Lease liabilities- non current	-	-	237.84	237.84	241.20
(c) Short-term borrowings	-	-	6,004.97	6,004.97	6,004.97
(d) Lease liabilities- current	-	-	58.58	58.58	58.58
(e) Trade payables	-	-	6,102.10	6,102.10	6,102.10
(f) Acceptances	-	-	7,883.96	7,883.96	7,883.96
(g) Other financial liabilities - non-current	56.69	20.31	383.37	460.37	460.37
(h) Other financial liabilities - current	2.18	0.61	1,110.47	1,113.26	1,113.26
Total	58.87	20.92	39,008.97	39,088.76	39,339.60

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Fair Value Hierarchy

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

Quoted prices in an active market (Level 1): This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares, quoted corporate debt instruments and mutual fund investments.

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

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

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2023 and 2022.

The investments in certain unquoted equity instruments which are held for medium or long-term strategic purpose and are not held for trading. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the management believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value in profit or loss.

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

		(₹ in crores)			
		As at March 31, 2023			
		Level 1	Level 2	Level 3 *	Total
Financial assets measured at fair value					
(a) Investments		3,717.33	-	630.45	4,347.78
(b) Derivative assets		-	941.40	-	941.40
Total		3,717.33	941.40	630.45	5,289.18
Financial liabilities measured at fair value					
(a) Derivative liabilities		-	182.98	-	182.98
Total		-	182.98	-	182.98
		As at March 31, 2022			
		Level 1	Level 2	Level 3 *	Total
Financial assets measured at fair value					
(a) Investments		5,861.57	-	620.45	6,482.02
(b) Derivative assets		-	721.10	-	721.10
Total		5,861.57	721.10	620.45	7,203.12
Financial liabilities measured at fair value					
(a) Derivative liabilities		-	79.79	-	79.79
Total		-	79.79	-	79.79

* Movement due to change in fair value of unquoted Investment in equity shares measured at fair value through other comprehensive income

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:

		As at March 31, 2023			
		Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value					
(a) Long-term borrowings (including Current maturities of long-term borrowings)		4,466.03	8,498.75	-	12,964.78
(b) Short-term borrowings		-	5,926.92	-	5,926.92
(c) Option premium accrual		-	226.93	-	226.93
Total		4,466.03	14,652.60	-	19,118.63
		As at March 31, 2022			
		Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value					
(a) Long-term borrowings (including Current maturities of long-term borrowings)		4,241.13	13,234.03	-	17,475.16
(b) Short-term borrowings		-	9,129.91	-	9,129.91
(c) Option premium accrual		-	304.29	-	304.29
Total		4,241.13	22,668.23	-	26,909.36

Other short-term financial assets and liabilities are stated at amortised cost which is approximately equal to their fair value.

The fair value of borrowings which have a quoted market price in an active market is based on its market price and for other borrowings the fair value is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

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

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(b) Offsetting

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

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

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2023:

	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		(₹ in crores) Net amount after offsetting
				Financial instruments	Cash collateral (received/pledged)	
Financial assets						
(a) Derivative financial instruments	941.40	-	941.40	(39.68)	-	901.72
(b) Trade receivables	2,616.43	(308.71)	2,307.72	-	-	2,307.72
(c) Loans and advances-current	194.86	(62.57)	132.29	-	-	132.29
Total	3,752.69	(371.28)	3,381.41	(39.68)	-	3,341.73
Financial liabilities						
(a) Derivative financial instruments	182.98	-	182.98	(39.68)	-	143.30
(b) Trade payables	7,533.88	(371.28)	7,162.60	-	-	7,162.60
Total	7,716.86	(371.28)	7,345.58	(39.68)	-	7,305.90

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

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral (received/pledged)	
Financial assets						
(a) Derivative financial instruments	721.10	-	721.10	(9.68)	-	711.42
(b) Trade receivables	2,291.96	(180.18)	2,111.78	-	-	2,111.78
(c) Loans and advances-current	157.12	(17.75)	139.37	-	-	139.37
Total	3,170.18	(197.93)	2,972.25	(9.68)	-	2,962.57
Financial liabilities						
(a) Derivative financial instruments	79.79	-	79.79	(9.68)	-	70.11
(b) Trade payables	6,300.03	(197.93)	6,102.10	-	-	6,102.10
Total	6,379.82	(197.93)	6,181.89	(9.68)	-	6,172.21

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(c) Financial risk management

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

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

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

(i) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

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

The fluctuation in foreign currency exchange rates may have potential impact on the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and statement of cash flows where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, Euro and GBP against the respective functional currencies of the Company.

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

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

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

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

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2023:

	<u>U.S. dollar</u>	<u>GBP</u>	<u>Others ¹</u>	(₹ in crores)
				<u>Total</u>
Financial assets	276.14	80.38	42.28	398.80
Financial liabilities	6,735.99	7.89	73.70	6,817.58

¹ Others mainly include currencies such as the Euro, Chinese yuan, South african rand, Singapore Dollar, Thai bahts and Bangladesh taka.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately ₹39.88 crores and ₹681.76 crores for financial assets and financial liabilities respectively for the year ended March 31, 2023.

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

	<u>U.S. dollar</u>	<u>GBP</u>	<u>Others ²</u>	<u>Total</u>
Financial assets	267.59	5.74	47.94	321.27
Financial liabilities	6,126.39	81.59	127.22	6,335.20

² Others mainly include currencies such as the Euro, Chinese yuan, South african rand, Singapore Dollar, Thai bahts and Bangladesh taka.

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 ₹32.13 crores and ₹633.52 crores for financial assets and financial liabilities respectively for the year ended March 31, 2022.

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

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(i) (b) Interest rate risk

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

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, 2023 and 2022, financial liabilities of **₹4,493.80 crores** and ₹5,954.82 crores, respectively, were subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of **₹44.94 crores** and ₹59.55 crores for the year ended March 31, 2023 and 2022, respectively.

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

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

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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

(i) (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, 2023 and 2022 was **₹574.37 crores** and ₹718.49 crores, respectively. A 10% change in equity price as of March 31, 2023 and 2022 would result in a pre- tax impact of **₹57.44 crores** and ₹71.85 crores, respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

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(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as fair value through profit and loss, trade receivables, loans and advances and derivative financial instruments. The Company strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial condition. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was **₹10,346.83 crores** and **₹13,568.58 crores** as at March 31, 2023 and 2022, respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including short term deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2023, and March 31, 2022, that defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

The ageing of trade receivables as of balance sheet date is given below. The age analysis has been considered from the due date.

Trade receivables	As at March 31,													(₹ in crores)
	2023						2022							
	Not due	Up to 6 months	6 months to 1 year	Overdue		More than 3 years	Total	Not due	Up to 6 months	6 months to 1 year	Overdue		More than 3 years	
1-2 years				2-3 years	1-2 years						2-3 years			
Undisputed														
(a) Considered good	1,090.95	475.03	162.94	57.72	67.08	454.00	2,307.72	1,145.96	387.22	14.54	81.73	86.70	395.13	2,111.28
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Credit impaired	104.60	21.85	32.49	21.63	29.74	168.42	378.73	33.33	27.55	42.53	16.34	27.87	118.41	266.03
Disputed														
(a) Considered good	-	-	-	-	-	-	-	-	-	-	-	0.50	-	0.50
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	0.58	0.19	175.43	176.20	-	-	-	0.41	5.85	157.95	164.21
Total	1,195.55	496.88	195.43	79.93	97.01	797.85	2,862.65	1,179.29	414.77	57.07	98.48	120.92	671.49	2,542.02
Less: Allowance for credit impaired balances							(554.93)							(430.24)
Total							2,307.72							2,111.78
Trade receivable from Government organizations	355.21	150.49	112.13	45.39	53.69	473.94	1,190.86	225.13	238.84	31.79	56.37	50.18	375.56	977.87

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.

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(iii) Liquidity risk

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

The Company has obtained fund and non-fund based working capital lines from various banks. Further, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, senior notes and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Company has also invested 15% of the amount of non-convertible debentures (taken/issued by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

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

The table below provides undiscounted contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2023:

<u>Financial liabilities</u>	<u>Carrying amount</u>	<u>Due in 1st Year</u>	<u>Due in 2nd Year</u>	<u>Due in 3rd to 5th Year</u>	<u>Due after 5th Year</u>	(₹ in crores) <u>Total contractual cash flows</u>
(a) Trade payables	7,162.60	7,162.60	-	-	-	7,162.60
(b) Acceptances	5,839.39	5,839.39	-	-	-	5,839.39
(c) Borrowings and interest thereon	19,175.53	8,962.28	3,471.67	7,957.21	53.30	20,444.46
(d) Other financial liabilities	1,228.55	956.14	139.98	116.05	52.81	1,264.98
(e) Lease liabilities	406.25	134.86	125.72	168.77	97.57	526.92
(f) Derivative liabilities	182.98	40.95	-	142.03	-	182.98
Total	33,995.30	23,096.22	3,737.37	8,384.06	203.68	35,421.33

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

<u>Financial liabilities</u>	<u>Carrying amount</u>	<u>Due in 1st Year</u>	<u>Due in 2nd Year</u>	<u>Due in 3rd to 5th Year</u>	<u>Due after 5th Year</u>	<u>Total contractual cash flows</u>
(a) Trade payables	6,102.10	6,102.10	-	-	-	6,102.10
(b) Acceptances	7,883.96	7,883.96	-	-	-	7,883.96
(c) Borrowings and interest thereon	23,581.13	10,677.39	3,535.61	12,522.71	129.74	26,865.45
(d) Other financial liabilities	1,145.36	761.99	124.75	180.44	144.73	1,211.91
(e) Lease liabilities	296.42	79.96	83.83	143.31	72.53	379.63
(f) Derivative liabilities	79.79	2.79	-	77.00	-	79.79
Total	39,088.76	25,508.19	3,744.19	12,923.46	347.00	42,522.84

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(iv) Derivative financial instruments and risk management

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

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

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

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

The fair value of derivative financial instruments is as follows:

	(₹ in crores)	
	As at March 31,	
	<u>2023</u>	<u>2022</u>
(a) Foreign currency forward exchange contracts and options	840.70	687.18
(b) Commodity Derivatives	(1.22)	26.16
(c) Interest rate derivatives	(81.06)	(72.03)
Total	<u><u>758.42</u></u>	<u><u>641.31</u></u>

The gain/(loss) due to fluctuation in foreign currency exchange rates on derivative contracts, recognised in the income statement was **₹228.36 crores** and ₹48.78 crores for the years ended March 31, 2023 and 2022, respectively.

(v) Commodity Price Risk

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

The (gain)/loss on commodity derivative contracts, recognised in the statement of profit and loss was **₹49.16 crores** and ₹17.96 crores for the years ended March 31, 2023 and 2022, respectively.

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41. Related-party transactions

The Company's related parties principally includes subsidiaries, joint operations, associates and their subsidiaries, Tata Sons Pvt Limited, subsidiaries and joint ventures of Tata Sons Pvt Limited. The Company routinely enters into transactions with these related parties in the ordinary course of business.

All transactions with related parties are conducted at arm's length price under normal terms of business and all amounts outstanding are unsecured and will be settled in cash.

The following table summarises related-party transactions and balances for the year ended / as at March 31, 2023:

	Subsidiaries	Joint Arrangements	Associates and its subsidiaries	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	(₹ in crores) Total
A) Transactions					
Purchase of products	2,676.70	2,528.59	1,841.54	173.57	7,220.40
Sale of products	588.81	1,659.27	282.55	1,234.76	3,765.39
Services received	646.99	0.39	2.34	286.39	936.11
Services rendered	930.42	6.22	20.55	47.21	1,004.40
Bills discounted	4,806.57	-	-	7,903.93	12,710.50
Purchase of property, plant and equipment	13.01	-	9.81	2.33	25.15
Finance given (including loans and equity)	171.95	-	-	-	171.95
Finance given, taken back (including loans and equity)	20.75	-	-	-	20.75
Finance taken (including loans and equity)	18,081.75	-	143.00	-	18,224.75
Finance taken, paid back (including loans and equity)	17,106.00	-	186.00	-	17,292.00
Interest expense	409.53	-	4.23	40.69	454.45
Interest income	1.26	-	-	-	1.26
Dividend income	123.49	236.34	21.68	14.32	395.83
(B) Balances					
Amounts receivable in respect of loans and interest thereon	679.29	-	-	-	679.29
Amounts payable in respect of loans and interest thereon	5,350.75	-	48.00	2.50	5,401.25
Trade and other receivables	302.11	199.70	22.76	188.11	712.68
Trade payables	209.50	85.98	46.67	117.32	459.47
Acceptances	1,167.52	-	-	882.11	2,049.63
Assets / deposits given/taken as security	0.07	-	-	-	0.07
Provision for amount receivable (including loans)	661.00	-	-	-	661.00

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

	Subsidiaries	Joint Arrangements	Associates and its subsidiaries	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	Total
A) Transactions					
Purchase of products	1,007.25	5,565.39	3,272.49	22.82	9,867.95
Sale of products	538.10	1,693.00	379.29	920.00	3,530.39
Services received	871.76	0.31	10.95	196.30	1,079.32
Services rendered	449.82	5.23	10.48	25.96	491.49
Bills discounted	336.14	-	-	3,697.86	4,034.00
Purchase of property, plant and equipment	5.91	-	25.99	8.42	40.32
Sale of business	-	-	-	234.09	234.09
Finance given (including loans and equity)	10,342.14	-	-	-	10,342.14
Finance given, taken back (including loans and equity)	55.00	-	-	-	55.00
Finance taken (including loans and equity)	10,605.49	-	148.00	-	10,753.49
Finance taken, paid back (including loans and equity)	6,602.49	-	152.00	-	6,754.49
Interest expense	78.06	19.62	5.87	87.02	190.57
Interest income	17.56	1.17	-	-	18.73
Dividend income	53.02	22.95	-	13.32	89.29
Borrowing towards lease Liability	-	41.40	-	-	41.40
Repayment towards lease liability	-	17.27	-	-	17.27
(B) Balances					
Amounts receivable in respect of loans and interest thereon	619.49	-	-	-	619.49
Amounts payable in respect of loans and interest thereon	4,375.00	-	91.00	2.90	4,468.90
Trade and other receivables	98.26	83.85	50.35	157.35	389.81
Trade payables	150.71	111.92	75.11	28.54	366.28
Acceptances	235.96	-	-	1,529.72	1,765.68
Assets / deposits given/taken as security	0.11	-	-	-	0.11
Provision for amount receivable (including loans)	661.00	-	-	-	661.00

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

41. Related-party transactions (continued)

Details of significant transactions are given below (More than 10% of total transaction value with related parties) :

Name of Related Party	Nature of relationship	Year ended March 31,	
		2023	2022
i) Purchase of products			
Tata Motors Body Solutions Limited	Subsidiary	655.96	284.15
Tata Motors Passenger Vehicles Limited	Subsidiary	2,009.19	525.92
Tata Cummins Private Limited	Joint Arrangements	2,528.03	1,843.36
Fiat India Automobiles Private Limited	Joint Arrangements	-	3,739.30
ii) Sale of products			
Fiat India Automobiles Private Limited	Joint Arrangements	1,546.06	1,589.81
Tata Advance Systems Limited	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	524.46	-
iii) Services received			
TML Business Services Limited	Subsidiary	100.93	119.08
Tata Technologies Limited	Subsidiary	426.69	448.60
Tata Motors European Technical Centre PLC	Subsidiary	11.03	115.74
iv) Services rendered			
Jaguar Land Rover Limited	Subsidiary	101.79	110.03
Tata Motors Passenger Vehicles Limited	Subsidiary	689.72	256.00
v) Bill discounted			
Tata Capital Financial Services Limited	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	7,903.93	3,697.86
Tata Motors Finance Limited	Subsidiary	4,636.80	336.14
vi) Purchase of property, plant and equipment			
Tata Technologies Limited	Subsidiary	12.86	5.95
Tata Toyo Radiator Limited	Associates and its subsidiaries	3.49	3.53
TM Automotive Seating Systems Private Limited	Associates and its subsidiaries	3.19	11.45
vii) Finance given (including loans and equity)			
Tata Passenger Electric Mobility Limited	Subsidiary	41.25	743.36
Tata Motors Body Solutions Limited	Subsidiary	35.00	-
TML CV Mobility Solutions Limited	Subsidiary	89.95	-
vii) Finance given, taken back (including loans and equity)			
Tata Motors Body Solutions Limited	Subsidiary	20.00	-
viii) Finance taken (including loans and equity)			
Tata Motors Passenger Vehicles Limited	Subsidiary	13,775.00	6,055.00
Tata Passenger Electric Mobility Limited	Subsidiary	92.75	2,875.00
Tata Technologies Limited	Subsidiary	1,839.50	1,481.00
ix) Finance taken, paid back (including loans and equity)			
Tata Motors Passenger Vehicles Limited	Subsidiary	12,810.00	4,285.00
Tata Passenger Electric Mobility Limited	Subsidiary	534.25	375.00
Tata Technologies Limited	Subsidiary	1,397.25	1,688.50
x) Interest expense			
Tata Passenger Electric Mobility Limited	Subsidiary	138.15	22.54
Tata Motors Passenger Vehicles Limited	Subsidiary	170.11	3.84
Tata Technologies Limited	Subsidiary	25.46	32.47
Fiat India Automobiles Private Limited	Joint Arrangements	-	19.62
xi) Interest income			
Tata Motors Body Solutions Limited	Subsidiary	1.06	3.57
TML CV Mobility Solutions Limited	Subsidiary	0.18	-
Tata Motors European Technical Centre PLC	Subsidiary	-	2.22
xii) Dividend income			
TML Business Services Limited	Subsidiary	63.49	-
Tata Cummins Private Limited	Joint Arrangements	236.34	22.95
Tata Motors Insurance Broking and Advisory Services Ltd	Subsidiary	60.00	40.00
Tata Motors Finance Limited	Subsidiary	-	13.02
Tata Sons Pvt Ltd	Promoter Company	12.38	12.38
xiii) Slump sale of PV undertaking (Refer note 45)			
Tata Motors Passenger Vehicles Limited	Subsidiary	-	9,417.00

Note:

The Company is required, in terms of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, to obtain the approval of shareholders for the transaction of sale of products aggregating to ₹1,546.06 Crores with Fiat India Automobiles Private Limited, a joint arrangement, which has become a material related party transaction for the year ended March 31, 2023. The Company proposes to take the approval of the shareholders at the forthcoming Annual General Meeting.

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41. Related-party transactions (continued)

<u>Compensation of key management personnel:</u>	Year ended March 31,	
	2023	2022
Short-term benefits	17.27	29.84
Post-employment benefits*	0.66	1.44
Employees stock option plan	4.67	2.46

The compensation of erstwhile CEO and Managing Director is ₹16.97 crores for the year ended March 31, 2022, which includes ₹9.63 crores of performance bonus and long term incentive for the year ended March 31, 2021, approved in the quarter ended June 30, 2021.

The compensation of Executive Director is ₹4.64 crores and ₹3.34 crores for the year ended March 31, 2023 and 2022, respectively.

The compensation of Group CFO is ₹13.29 crores and ₹9.12 crores for the year ended March 31, 2023 and March 31, 2022 respectively.

* Provisions for contribution to gratuity, leave encashment and other defined benefit are determined by actuary on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information. The amount is disclosed only at the time of payment.

Refer note 33(B) for information on transactions with post employment benefit plans.

42. 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 on a standalone basis.

Name of the Company	Outstanding as at March 31, 2023 / March 31, 2022	Maximum amount outstanding during the year
(i) Subsidiaries:		
Tata Motors Body Solutions Limited (Formerly known as Tata Marcopolo Motors Limited)	15.00	35.00
(Tata Motors Body Solutions Limited has utilised this loan for meeting its capex requirement and general corporate purposes)	-	-
Jaguar Land Rover Technology and Business Services India (P) Ltd. (Formerly known as JT Special Vehicle (P) Ltd.)	-	0.75
(Jaguar Land Rover Technology and Business Services India (P) Ltd. has utilised this loan for meeting its capex requirement and general corporate purposes)	-	-
TML CV Mobility Solutions Limited	45.00	45.00
(TML CV Mobility Solutions Limited has utilised this loan for meeting its capex requirement and general corporate purposes)	-	-
Tata Hispano Motors Carrocera S.A.	561.10	561.10
(Tata Hispano Motors Carrocera S.A. has utilised this loan for meeting its capex requirement, grant repayment and general corporate purposes, which is fully provided)	561.10	561.10
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

(b) Details of Investments made are given in notes 6, 7 and 8.

43. 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,	
		2023	2022
Subsidiaries			
Tata Motors Passenger Vehicles Limited	India	100.00	100.00
Tata Passenger Electric Mobility Limited	India	100.00	100.00
TML CV Mobility Solutions Limited	India	100.00	100.00
TML Business Services Ltd	India	100.00	100.00
Tata Motors Insurance Broking and Advisory Services Ltd	India	100.00	100.00
Tata Technologies Ltd	India	74.69	74.43
TMF Holdings Ltd	India	100.00	100.00
Tata Motors Body Solutions Limited (Formerly known as Tata Marcopolo Motors Limited)	India	100.00	61.86
TML Holdings Pte Ltd	Singapore	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
Brabo Robotics and Automation Limited	India	100.00	100.00
Tata Precision Industries Pte Ltd	Singapore	78.39	78.39
Jaguar Land Rover Technology and Business Services India (P) Ltd. (Formerly known as JT Special Vehicle (P) Ltd.)	India	100.00	100.00
TML Smart City Mobility Solutions Limited	India	100.00	-
Associates			
Automobile Corporation of Goa Limited	India	48.98	48.98
Nita Co. Ltd	Bangladesh	40.00	40.00
Tata AutoComp Systems Ltd	India	26.00	26.00
Tata Hitachi Construction Machinery Company Private Ltd	India	39.74	39.74
Joint Venture (JV)			
Fiat India Automobiles Private Ltd	India	50.00	50.00

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44. Transactions with struck off companies

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at March 31, 2022:

				(₹ in crores)
Name of struck off Company	Nature of transactions with struck off Company	Amount of transactions	Balance outstanding	Relationship with the Struck off company
Jessica Motors Pvt. Ltd.	Warranty/AMC claims	-	0.01	External customer
Anandji Haridas & Co Pvt Ltd	Warranty/AMC claims	-	(0.02)	External customer
Sai Prashad Auto Pvt Ltd	Warranty/AMC claims	-	(0.00) #	External customer
R K Reprocess Powder Coating OPC Pvt Ltd	Warranty/AMC claims	-	(0.00) #	External customer
Aargee Equipments Pvt Ltd	Material purchase	(0.34)	(0.00) #	External vendor

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at March 31, 2022:

Name of struck off Company	Nature of transactions with struck off Company	Amount of transactions	Balance outstanding	Relationship with the Struck off company
Jessica Motors Pvt. Ltd.	Warranty/AMC claims	-	0.01	External customer
Axis Systems Private Limited	Material purchase	(0.69)	(0.03)	External vendor
Aargee Equipments Pvt Ltd	Material purchase	(0.34)	(0.00) #	External vendor
Akshay industries Private Limited	Services availed	(0.19)	(0.01)	External vendor
Anil Enterprises Private Limited	Material purchase	(0.01)	-	External vendor
Durga Automobiles Private Limited	Services availed	(0.09)	-	External vendor
Harsh Enterprises Private Limited	Material purchase	(0.00) #	-	External vendor
Interface Micro Systems Private Limited	Material purchase	(10.24)	(0.07)	External vendor
K K Enterprises Pvt Ltd	Material purchase	(0.01)	-	External vendor
Karnavati Motors Private Limited	Services availed	(0.02)	-	External vendor
Lala Enterprises Pvt Ltd	Services availed	(0.18)	(0.00) #	External vendor
Murarka Trading Company Pvt Ltd	Material purchase	(1.16)	(0.05)	External vendor
Madhavi Constructions Private Limited	Services availed	(1.24)	-	External vendor
Microtech Industries Limited	Material purchase	(0.05)	(0.00) #	External vendor
Prakash Industries Limited	Material purchase	(8.64)	(0.06)	External vendor
Prakash Motors Private Limited	Services availed	(0.03)	-	External vendor
Pratap Motors Private Limited	Services availed	(0.08)	(0.00) #	External vendor
Rushi Motors Private Limited	Services availed	(5.09)	(0.06)	External vendor
Rudraksha Electricals Private Limited	Material purchase	(0.06)	-	External vendor
Sanch Marketing Private Limited	Material purchase	(0.01)	-	External vendor
Shiva Motors Pvt Ltd	Services availed	(0.20)	-	External vendor
Savitri Motors Private Limited	Services availed	(0.02)	(0.01)	External vendor
Suprabha Enterprises Private Limited	Material purchase	(0.52)	(0.03)	External vendor
Sarna Motors Private Limited	Services availed	(0.01)	-	External vendor
Shanti Motors Pvt Ltd	Services availed	(0.01)	-	External vendor
Shah Associates Private Limited	Material purchase	(0.17)	(0.01)	External vendor
Shreya Industries Private Limited	Material purchase	(0.16)	(0.06)	External vendor
Super Transports Private Limited	Services availed	(0.00) #	-	External vendor
Sandeep Automobiles Private Limited	Services availed	(0.07)	(0.00) #	External vendor
Tara Tools Private Limited	Material purchase	(0.25)	(0.12)	External vendor
Total Solutions Private Limited	Material purchase	(0.00) #	-	External vendor
Unique Marketing Private Limited	Material purchase	(0.00) #	-	External vendor
V Solutions Privatelimited	Services availed	(0.01)	-	External vendor
Yadav Motors Private Limited	Services availed	(0.04)	0.00 #	External vendor
Zenith Motors Private Limited	Services availed	(0.00) #	-	External vendor
Active Automobiles Private Limited	Services availed	-	(0.00) #	External vendor
Akhilshwar Packaging (India) Private Limited	Services availed	-	(0.05)	External vendor
Constant Security Services Private Ltd	Services availed	-	0.00 #	External vendor
Parikh Inn Private Limited	Services availed	-	0.00 #	External vendor
Friends Auto(India)Pvt Ltd	Material purchase	-	0.18	External vendor
Riddhi Motors Private Limited	Services availed	-	(0.00) #	External vendor
S I Enterprises Private Limited	Material purchase	-	0.15	External vendor
Shri Ganesh Industries India Private Ltd	Services availed	-	(0.00) #	External vendor
Vaishnavi Motors Private Limited	Services availed	-	0.00 #	External vendor

less than ₹ 50,000 /-

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TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

45. Discontinued operations

A Scheme of Arrangement, between Tata Motors Limited and Tata Motors Passenger Vehicles Limited (Transferee Company) for transfer of the PV Undertaking of the Company to the Transferee Company, was effective from January 1, 2022. Post transfer of PV Undertaking, the arrangement with Fiat India Automobiles Private Limited (FIAPL) is considered to be a Joint Venture of the Company.

Accordingly, the results of PV undertaking along with joint operation Fiat India Automobiles Private Limited (FIAPL) has been disclosed as discontinued operations in the Statement of Profit and Loss for the year ended March 31, 2022 as follows:

	(₹ in crores)
	Nine months ended December 31, 2021
I Revenue from operations	21,376.71
II Other Income	411.77
III Total Income (I+II)	21,788.48
IV Expenses	21,955.88
V Profit/(loss) before exceptional items and tax (III-IV)	(167.40)
VI Exceptional items	(559.91)
VII Profit before tax from discontinued operations (V-VI)	392.51
VIII Tax expense (net) from discontinued operations	44.14
IX Profit for the period from discontinued operations (VII-VIII)	348.37

The Company had stopped depreciation from the date of receipt of NCLT order. Accordingly Depreciation and Amortisation of ₹737.07 crores is not provided from August 25, 2021 to December 31, 2021.

Net Cash flow attributable to PV Undertaking are as follows

	Nine months ended December 31, 2021
Cash flow from Operating activities	2,689.36
Cash flow used in Investing activities	(847.73)
Cash flow used in Financing activities	(383.01)
Net increase in cash and cash equivalent	1,458.62

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

46. 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 (which ceased to be a joint operation w.e.f. January 1, 2022). Below are supplementary details of Tata Motors Limited on standalone basis excluding interest in the aforesaid Joint Operations:

A. Balance Sheet

		(₹ in crores)	
		As at March 31,	
		<u>2023</u>	<u>2022</u>
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment		11,187.42	11,201.05
(b) Capital work-in-progress		548.03	561.34
(c) Right of use assets		417.59	329.85
(d) Other intangible assets		2,233.70	1,914.76
(e) Intangible assets under development		508.78	879.77
(f) Investments in subsidiaries, joint arrangements and associates		27,299.19	27,239.85
(g) Financial assets			
(i) Investments		1,204.82	1,338.94
(ii) Loans and advances		114.01	48.11
(iii) Other financial assets		2,414.75	1,977.74
(h) Deferred tax assets (net)		1,615.42	-
(i) Non-current tax assets (net)		806.57	720.22
(j) Other non-current assets		583.08	652.68
		<u>48,933.36</u>	<u>46,864.31</u>
(2) CURRENT ASSETS			
(a) Inventories		2,765.51	3,412.51
(b) Financial assets			
(i) Investments		3,035.92	5,067.48
(ii) Trade receivables		2,175.01	2,006.57
(iii) Cash and cash equivalents		1,091.28	2,425.92
(iv) Bank balances other than (iii) above		293.17	155.15
(v) Loans and advances		130.79	137.24
(vi) Other financial assets		297.19	831.90
(c) Other current assets		1,206.96	1,075.39
		<u>10,995.83</u>	<u>15,112.16</u>
TOTAL ASSETS		<u>59,929.19</u>	<u>61,976.47</u>
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital		766.02	765.88
(b) Other equity		20,434.25	17,887.97
		<u>21,200.27</u>	<u>18,653.85</u>
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings		10,445.70	14,102.74
(ii) Lease liabilities		305.26	237.84
(iii) Other financial liabilities		414.44	460.37
(b) Provisions		1,535.10	1,416.66
(c) Other non-current liabilities		659.45	477.21
		<u>13,359.95</u>	<u>16,694.82</u>
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings		7,898.57	9,054.11
(ii) Lease liabilities		99.87	58.58
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises		91.60	136.86
(b) Total outstanding dues of creditors other than micro and small enterprises		6,727.28	5,722.51
(iv) Acceptances		6,367.56	7,883.96
(v) Other financial liabilities		1,254.73	1,098.31
(b) Provisions		431.57	638.24
(c) Current tax liabilities (net)		32.69	31.36
(d) Other current liabilities		2,465.10	2,003.87
		<u>25,368.97</u>	<u>26,627.80</u>
TOTAL EQUITY AND LIABILITIES		<u>59,929.19</u>	<u>61,976.47</u>

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

B. Statement of Profit and Loss

		(₹ in crores)	
		Year ended March 31,	
Particulars		<u>2023</u>	<u>2022</u>
Revenue from operations			
Revenue		64,553.55	46,286.03
Other operating revenue		455.80	382.89
I. Total revenue from operations		<u>65,009.35</u>	<u>46,668.92</u>
II. Other Income		<u>1,033.61</u>	<u>683.46</u>
III. Total Income (I+II)		<u>66,042.96</u>	<u>47,352.38</u>
IV. Expenses			
(a) Cost of materials consumed		42,261.55	31,669.81
(b) Purchases of products for sale		6,561.32	5,030.01
(c) Changes in inventories of finished goods, work-in-progress and products for sale		476.10	(386.24)
(d) Employee benefits expense		3,867.28	3,465.71
(e) Finance costs		2,042.52	2,113.36
(f) Foreign exchange loss (net)		280.34	135.78
(g) Depreciation and amortisation expense		1,683.82	1,678.28
(h) Product development/Engineering expenses		899.06	593.90
(i) Other expenses		7,551.67	5,833.73
(j) Amount transferred to capital and other accounts		<u>(1,048.46)</u>	<u>(903.16)</u>
Total Expenses (IV)		<u>64,575.20</u>	<u>49,231.18</u>
V. Profit/(loss) before exceptional items and tax (III-IV)		<u>1,467.76</u>	<u>(1,878.80)</u>
VI. Exceptional items			
(a) Employee separation cost		1.36	8.35
(b) Cost of slump sale of PV undertaking		-	50.00
(c) Provision/(Reversal) for loan given to/investment in subsidiary companies		4.55	(139.24)
(d) Provision for Intangible assets under development		276.91	-
(e) Others (refer note 49(iii))		-	(2.52)
VII. Profit/(loss) before tax (V-VI)		<u>1,184.94</u>	<u>(1,795.39)</u>
VIII. Tax expense/(credit) (net)			
(a) Current tax		8.27	(0.28)
(b) Deferred tax		<u>(1,570.95)</u>	<u>(31.77)</u>
Total tax expense/(credit) (net)		<u>(1,562.68)</u>	<u>(32.05)</u>
IX. Profit/(loss) for the year from continuing operations (VII-VIII)		<u>2,747.62</u>	<u>(1,763.34)</u>
X. Profit/(loss) before tax for the year from discontinued operations		-	143.81
XI. Tax expense (net) of discontinued operations			
(a) Current tax		-	-
(b) Deferred tax		-	-
Total tax expense		-	-
XII. Profit for the year after tax from discontinued operations (X-XI)		-	143.81
XIII. Profit/(loss) for the year (IX+XII)		<u>2,747.62</u>	<u>(1,619.53)</u>
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)		(59.77)	(62.24)
(b) Equity instruments at fair value through other comprehensive income		(134.12)	371.29
(ii) Income tax credit/(expense) relating to items that will not be reclassified to profit and loss		34.54	(31.20)
(B) (i) Items that will be reclassified to profit and loss - gains/(losses) in cash flow hedges		(99.70)	1.62
(ii) Income tax credit/(expense) relating to items that will be reclassified to profit and loss		9.93	(0.57)
Total other comprehensive income/(loss), net of taxes		<u>(249.12)</u>	<u>278.90</u>
XI. Total comprehensive income/(loss) for the year (XIII+XIV)		<u>2,498.50</u>	<u>(1,340.63)</u>
XII. Earnings/(loss) per share (EPS)			
Earnings/(loss) per share from continuing operations (EPS)			
(a) Ordinary shares:			
(i) Basic		₹ 7.16	(4.61)
(ii) Diluted		₹ 7.16	(4.61)
(b) 'A' Ordinary shares:			
(i) Basic		₹ 7.26	(4.61)
(ii) Diluted		₹ 7.26	(4.61)
Earnings/(loss) per share from discontinued operations (EPS)			
(A) Ordinary shares (face value of ₹ 2 each) :			
(i) Basic		₹ -	0.36
(ii) Diluted		₹ -	0.36
(B) 'A' Ordinary shares (face value of ₹ 2 each) :			
(i) Basic		₹ -	0.46
(ii) Diluted		₹ -	0.46
Earnings/(loss) per share from continuing and discontinued operations (EPS)			
(A) Ordinary shares (face value of ₹ 2 each) :			
(i) Basic		₹ 7.16	7.03
(ii) Diluted		₹ 7.16	7.02
(B) 'A' Ordinary shares (face value of ₹ 2 each) :			
(i) Basic		₹ 7.26	7.13
(ii) Diluted		₹ 7.26	7.12

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

C. Statement of Changes in Equity for the year ended March 31, 2023

i) Equity Share Capital

Particulars	(₹ in crores)
Balance as at April 1, 2022	765.81
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2022	765.81
Issue of shares on exercise of stock options by employees	0.14
Balance as at March 31, 2023	765.95

j) Other Equity

Particulars	Securities premium	Share based payments reserve	Share application money pending allotment	Capital redemption reserve	Debenture redemption reserve	Capital reserve (on merger/ sale of business) (net)	Retained earnings		Other components of equity (OCI)		Total other equity
							General Reserve	Undistributable (Ind AS 101)	Equity instruments through OCI	Hedging reserve	
Balance as at April 1, 2022	14,459.14	38.28	6.39	2.28	411.14	1,609.90	1,776.83	627.03	606.03	(13.80)	17,897.97
Changes in accounting policies or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	14,459.14	38.28	6.39	2.28	411.14	1,609.90	1,776.83	627.03	606.03	(13.80)	17,897.97
Profit for the year	-	-	-	-	-	-	-	-	-	-	-
Remeasurement gain/(loss) on defined benefit obligations (net)	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-
Money received on exercise of stock options by employees	23.40	20.31	(3.93)	-	-	-	-	-	(94.65)	52.17	(64.70)
Exercise of stock option by employees	3.79	(3.79)	-	-	-	-	-	-	-	-	-
Transfer of lapsed stock options	-	(1.30)	-	-	-	-	-	-	-	-	-
Transfer from debenture redemption reserve	-	-	-	-	(199.80)	-	-	-	-	-	-
Balance as at March 31, 2023	14,486.33	61.50	2.46	2.28	211.34	1,609.90	1,776.83	627.03	511.38	38.37	20,484.25

D. Statement of Changes in Equity for the period ended March 31, 2022

i) Equity Share Capital

Particulars	
Balance as at April 1, 2021	765.81
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	765.81
Issue of shares on exercise of stock options by employees	0.07
Balance as at March 31, 2022	765.88

j) Other Equity

Particulars	Securities premium	Share based payment 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
							General Reserve	Undistributable (Ind AS 101)	Equity instruments through OCI	Hedging reserve	
Balance as at April 1, 2021	25,618.63	22.18	-	2.28	904.44	(350.13)	1,776.83	627.03	287.70	(101.17)	17,231.97
Changes in accounting policies or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	25,618.63	22.18	-	2.28	904.44	(350.13)	1,776.83	627.03	287.70	(101.17)	17,231.97
Loss for the year	-	-	-	-	-	-	-	-	-	-	-
Remeasurement gain/(loss) on defined benefit obligations (net)	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-
Money received on exercise of stock options by employees	12.15	10.05	6.39	-	-	-	-	-	318.33	87.37	(40.49)
Exercise of stock option by employees	1.95	(1.95)	-	-	-	-	-	-	-	-	-
Reduction of share capital in accordance with approved Scheme of Arrangement (refer note 45)	(11,173.59)	-	-	-	-	-	-	-	-	-	-
Excess of consideration received over the carrying value of net assets transferred of JV undertaking (refer note 45)	-	-	-	-	-	1,960.05	-	-	-	-	1,960.05
Transfer from debenture redemption reserve	-	-	-	-	(493.39)	-	-	-	-	-	-
Balance as at March 31, 2022	14,459.14	38.28	6.39	2.28	411.14	1,609.90	1,776.83	627.03	606.03	(13.80)	17,897.97

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

47. Ratio

Sr No	Particulars	Year ended March 31,		Change	Reason for change
		2023	2022		
a)	Debt Equity Ratio (number of times) [Total Debt ⁽ⁱ⁾ / Shareholders' Equity ⁽ⁱⁱ⁾]	0.84	1.16	(27.59%)	With the reduction in total debt during the year and increase in shareholders' equity on account of profit during the year, the ratio has decreased compared to previous year
b)	Debt Service Coverage Ratio (number of times) [(Profit/(loss) before exceptional items and tax+Interest on Borrowings)/(Interest on Borrowings + Repayment of Borrowings ⁽ⁱⁱⁱ⁾)]	0.48	0.01	3215.11%	Due to repayment of borrowings in current year as compared to net proceeds from borrowings in previous year
c)	Current ratio (number of times) [Current assets (excluding Assets classified as held for sale) / Current liabilities (excluding Liabilities directly associated with Assets Classified as Held For Sale)]	0.45	0.58	(22.41%)	
d)	Trade receivable turnover (number of times) [Revenue from operations / Average Trade receivables]	29.76	25.88	14.99%	
e)	Inventory turnover (number of times) [Raw material consumed ^(iv) / average inventory ^(vii)]	14.61	10.60	37.83%	During the year, there has been a reduction in the average inventory levels and with higher sales, material consumption for the year has also increased reducing the inventory turnover ratio
f)	Trade payable turnover (number of times) [Cost of material consumed ^(viii) / Average Trade payables]	3.62	2.87	26.12%	During the year, there has been a reduction in average trade payables and with higher sales, material consumption for the year has also increased resulting into an increase in the trade payable turnover ratio
g)	Net capital turnover (number of times) [Revenue from operations / Working capital ^(vi)]	(5.72)	(5.98)	(4.43%)	
h)	Net profit margin (%) [Net profit after tax / Revenue from continuing operations]	4.15%	(2.94%)	(240.98%)	Due to net profit after tax during the year
i)	Return on equity (number of times) [Net profit after tax / Average shareholders' equity]	0.13	(0.07)	(283.70%)	Due to net profit after tax during the year
j)	Return on capital employed (number of times) [Profit before interest and tax / Capital employed ^(vii)]	0.09	0.01	840.12%	Due to higher profit before interest and tax during the year
k)	Return on investments (number of times) [Net profit after tax / Average investments]	0.08	(0.05)	(253.14%)	Due to net profit after tax during the year

Notes:

- i Total debts includes non current and current borrowings
- ii Equity = Equity share capital + Other equity
- iii Repayment of borrowings includes repayment of long-term borrowings, proceeds from short-term borrowings, repayment of short-term borrowings and net change in other short-term borrowings (with maturity up to three months).
- iv Working capital = Current assets (excluding Assets classified as held for sale) - Current liabilities (excluding current maturities of long term debt, interest accrued on borrowings and liabilities directly associated with assets classified as held for sale).
- v Raw material consumed includes Cost of materials consumed, Purchases of products for sale and Changes in inventories of finished goods, work-in-progress and products for sale.
- vi Inventory includes Raw materials and components, Work-in-progress, Finished goods, Stores and spare parts, Consumable tools and Goods-in-transit - Raw materials and components.
- vii Capital employed includes Shareholders' Equity, non current and current borrowings.
- viii Includes Cost of material consumed and Purchases of products for sale.

48. Other statutory information :

- (I) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (II) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (III) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (IV) the Company has not advanced or loaned or invested funds to any person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (V) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (VI) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- VII) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- VIII) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- IX) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

TATA MOTORS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

49. Other notes:
(i) Details of dues to Micro, Small and Medium Enterprises Development Act, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

Particulars		As at March 31,	
		2023	2022
(a) Amounts outstanding but not due (including capital creditors) as at March 31,		130.66	158.71
(b) Amounts due but unpaid as at March 31,	- Principal	3.55	8.89
(c) Amounts paid after appointed date during the year	- Principal	189.38	335.52
(d) Amount of interest accrued and unpaid as at March 31,	- Interest	7.05	5.44
(e) Amount of estimated interest due and payable for the period from April 1, 2023 to actual date of payment or May 12, 2023 (whichever is earlier)	- Interest	0.34	0.11

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

(iii) In April 2021, the Company has completed the sale of certain assets related to defence business to Tata Advanced Systems Limited (TASL) for sale consideration of ₹234.09 crores againsts the Net Assets of ₹231.57 crores resulting in a gain of ₹2.52 crores recorded as an exceptional item in Statement of Profit and Loss.

In terms of our report attached

For and on behalf of the Board

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

SHIRAZ AZIZ VASTANI
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Date: 2023.05.12 20:44:48 +05'30'

SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 23103334BGYMRR6797
Place: Mumbai

Date: May 12, 2023

Chandrasekaran Natarajan

Digitally signed by Chandrasekaran Natarajan
Date: 2023.05.12 19:39:02 +05'30'

N CHANDRASEKARAN [DIN: 00121863]
Chairman

GIRISH ARUN WAGH
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Date: 2023.05.12 19:00:53 +05'30'

GIRISH WAGH [DIN: 03119361]
Executive Director

PATHAMADAI BALACHANDRAN BALAJI
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Date: 2023.05.12 19:08:08 +05'30'

P B BALAJI
Group Chief Financial Officer

MALLOY KUMAR GUPTA
Digitally signed by MALLOY KUMAR GUPTA
Date: 2023.05.12 19:10:13 +05'30'

MALLOY KUMAR GUPTA [ACS: 24123]
Company Secretary

Place: Mumbai

Date: May 12, 2023

B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of Tata Motors Limited Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone quarterly financial results of Tata Motors Limited ("the Company") for the quarter ended 31 December 2023 and the year-to-date results for the period from 1 April 2023 to 31 December 2023, (in which are included interim financial statements of a joint operation) attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- are presented in accordance with the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the quarter ended 31 December 2023 as well as the year to date results for the period from 1 April 2023 to 31 December 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion.

Management's and Board of Directors' Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements.

The Company's Management and the Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. The respective Management and Board of Directors of the Company and its joint operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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

Independent Auditor's Report (Continued)**Tata Motors Limited**

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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the respective Management and the Board of Directors are responsible for assessing each company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 are also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results 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 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company and such other entity included in standalone financial results 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.



B S R & Co. LLP

Independent Auditor's Report (Continued)

Tata Motors Limited

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.

For B S R & Co. LLP

Chartered Accountants

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



Shiraz Vastani

Partner

Mumbai

02 February 2024

Membership No.: 103334

UDIN: 24103334BKGENS5127



TATA MOTORS LIMITED
Regd Office: Bombay House, 24, Hornby Road, Mumbai 400 001
CIN: L28920MH1994PLC004520

(₹ in crores)

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

	Particulars	Quarter ended			Nine months ended		Year ended
		December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
		2023	2023	2022	2023	2022	2023
		Audited					
I	Revenue from operations						
	(a) Revenue	18,500.95	18,403.19	15,693.14	52,637.20	45,337.23	65,298.84
	(b) Other operating revenue	167.61	138.51	100.84	405.64	277.97	458.49
	Total revenue from operations (a)+(b)	18,668.56	18,541.70	15,793.98	53,042.84	45,615.20	65,757.33
II	Other income (includes Government incentives)	166.82	579.81	173.18	1,025.72	579.01	820.94
III	Total income (I+II)	18,835.38	19,121.51	15,967.16	54,068.56	46,194.21	66,578.27
IV	Expenses						
	(a) Cost of materials consumed	12,098.26	11,492.58	10,185.98	34,534.24	30,316.23	42,226.81
	(b) Purchases of products for sale	1,851.81	1,840.87	1,583.00	5,582.07	4,751.96	6,561.32
	(c) Changes in inventories of finished goods, work-in-progress and products for sale	(861.33)	(19.06)	(66.25)	(2,266.10)	(634.65)	484.69
	(d) Employee benefits expense	130.48	1,085.94	972.28	3,260.88	2,999.56	4,021.63
	(e) Finance costs	41.95	471.48	503.43	1,295.17	1,581.58	2,047.51
	(f) Foreign exchange loss (net)	157.84	36.08	66.68	243.89	254.16	279.76
	(g) Depreciation and amortisation expense	53.13	509.00	430.18	1,518.04	1,299.29	1,766.86
	(h) Product development/engineering expenses	279.55	222.57	214.83	726.96	592.69	899.06
	(i) Other expenses	2,355.53	2,192.86	1,842.19	6,587.69	5,612.00	7,819.74
	(j) Amount transferred to capital and other accounts	(299.06)	(264.09)	(256.49)	(824.56)	(753.14)	(1,066.73)
	Total expenses (IV)	17,618.16	17,578.23	15,406.83	50,658.28	46,019.68	65,040.65
V	Profit before exceptional items and tax (III-IV)	1,197.22	1,543.28	560.33	3,410.28	174.53	1,537.62
VI	Exceptional Items						
	(a) Profit on sale of investments in subsidiary (Refer note 6)	(3,747.91)	-	-	(3,747.91)	-	-
	(b) Provision for employee pension scheme (Refer note 7)	-	44.70	-	691.07	-	-
	(c) Impairment of property, plant and equipment and intangible assets under development	20.43	81.32	-	101.75	-	276.91
	(d) Provision/(reversal) for investment in/cost of closure of subsidiary companies	(2.52)	-	0.11	(2.52)	4.22	4.55
	(e) Employee separation cost	61.10	-	-	62.67	136	136
VII	Profit before tax (V-VI)	4,866.12	1,417.26	560.22	6,305.22	168.95	1,254.80
VIII	Tax expense/(credit) (net)						
	(a) Current tax	26.76	18.77	29.86	65.62	59.49	81.60
	(b) Deferred tax (Refer note 4)	269.31	128.85	24.17	463.92	76.89	(1,554.93)
	Total tax expense/(credit) (net)	296.07	147.62	54.03	529.54	136.38	(1,473.33)
IX	Profit for the period (VII-VIII)	4,570.05	1,269.64	506.19	5,775.68	32.57	2,728.13
X	Other comprehensive income/(loss)						
	(A) (i) Items that will not be reclassified to profit and loss	41.29	139.26	58.14	205.88	(100.60)	(195.55)
	(ii) Income tax credit relating to items that will not be reclassified to profit or loss	3.55	(1.46)	1.99	8.36	21.19	34.96
	(B) (i) Items that will be reclassified to profit and loss	153.39	10.94	(13.96)	197.48	(165.17)	(99.69)
	(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss	(38.60)	(2.77)	3.52	(49.70)	26.41	9.93
	Total other comprehensive income/(loss), (net of tax)	159.63	145.97	49.69	362.01	(218.17)	(250.35)
XI	Total comprehensive income/(loss) for the period (net of tax) (IX+X)	4,729.68	1,415.61	555.88	6,137.69	(85.60)	2,477.78
XII	Paid-up equity share capital (face value of ₹2 each)	766.32	766.21	766.01	766.32	766.01	766.02
XIII	Reserves excluding revaluation reserve						21,703.83
XIV	Earnings/(loss) per share (EPS)						
	(a) Ordinary shares (face value of ₹2 each)						
	(i) Basic	₹ 11.92	₹ 3.30	₹ 1.31	₹ 15.06	₹ 0.07	₹ 7.11
	(ii) Diluted	₹ 11.90	₹ 3.30	₹ 1.31	₹ 15.05	₹ 0.07	₹ 7.11
	(b) 'A' Ordinary shares (face value of ₹2 each)						
	(i) Basic	₹ 12.02	₹ 3.40	₹ 1.41	₹ 15.16	₹ 0.17	₹ 7.21
	(ii) Diluted	₹ 12.00	₹ 3.40	₹ 1.41	₹ 15.15	₹ 0.17	₹ 7.21
		Not annualised					

Notes

1) The above results were reviewed and recommended by the Audit Committee on February 1, 2024 and approved by the Board of Directors at its meeting held on February 2, 2024.

2) The above results include the Company's proportionate share of income and expenditure in its Joint Operation, namely Tata Cummins Private Limited and its subsidiary. Below are supplementary details of Tata Motors Limited on standalone basis excluding interest in the aforesaid Joint Operation.

Particulars		Quarter ended			Nine months ended		Year ended
		December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
		2023	2023	2022	2023	2022	2023
1	Revenue from operations	18,475.10	18,373.35	15,599.50	52,412.99	45,071.21	65,009.35
2	Profit before tax	4,774.01	1,472.88	468.92	5,791.81	6.75	1,184.94
3	Profit after tax	4,589.41	1,324.65	455.02	5,736.86	11.04	2,747.62

(₹ in crores)

3) Additional information pursuant to requirement of Regulation 52(4) and Regulation 54(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 as amended and as of nine months ended December 31, 2023.

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
		2023	2023	2022	2023	2022	2023
Audited							
a)	Debt Equity Ratio (number of times) [Total Debt ^(vi) / Equity ^(vi)]	0.51	0.83	1.09	0.51	1.09	0.84
b)	Debt Service Coverage Ratio (number of times) (not annualised) [(Profit/(loss) before exceptional items and tax+Interest on Borrowings)/(Interest on Borrowings + Repayment of Borrowings ^(vii))]	0.32	5.11	0.50	1.18	0.40	0.48
c)	Interest Service Coverage Ratio (number of times) (not annualised) [(Profit/(loss) before exceptional items and tax+Interest on Borrowings)/(Interest on Borrowings)]	5.02	5.39	2.44	4.60	1.14	1.98
d)	Capital redemption reserve (₹ in crores)	2.28	2.28	2.28	2.28	2.28	2.28
e)	Debt redemption reserve (₹ in crores)	21.34	21.34	41.14	21.34	41.14	21.34
f)	Net worth (₹ in crores) ^(viii)	27,902.59	23,136.78	19,795.89	27,902.59	19,795.89	22,469.85
g)	Net profit/(loss) for the period (₹ in crores)	4,570.06	1,269.64	506.19	5,775.68	32.57	2,728.13
h)	Earnings/(loss) per share (EPS)						
	(a) Ordinary shares (face value of ₹ 2 each)						
	(i) Basic (₹)	11.92	3.30	1.31	15.06	0.07	7.11
	(ii) Diluted (₹)	11.90	3.30	1.31	15.06	0.07	7.11
	(b) W Ordinary shares (face value of ₹ 2 each)						
	(i) Basic (₹)	12.02	3.40	1.41	15.16	0.17	7.21
	(ii) Diluted (₹)	12.00	3.40	1.41	15.15	0.17	7.21
Not annualised							
i)	Current ratio (number of times) [Current assets / Current liabilities]	0.53	0.47	0.45	0.53	0.45	0.45
j)	Long term debt to working capital (number of times) [Long Term Borrowings ^(vii) / Working capital ^(viii)]	(0.68)	(0.69)	(1.20)	(0.68)	(1.20)	(1.13)
k)	Bad debts to Account receivable ratio (%) [Bad Debts ^(viii) / Average of Trade and Other Receivables ^(viii)]	-	-	-	-	0.07%	-
l)	Current liability ratio (number of times) [Current liabilities (excluding current maturities of long term debt and interest accrued on borrowings) / (Total liabilities)]	0.70	0.68	0.58	0.70	0.58	0.59
m)	Total debts to total assets (number of times) [(Non current borrowings + Current borrowings) / Total assets]	0.22	0.30	0.36	0.22	0.36	0.31
n)	Debtors turnover (number of times) (not annualised) [Revenue from operations / Average Trade receivables]	5.52	5.97	6.11	17.87	19.96	29.76
o)	Inventory turnover (number of times) (not annualised) [Raw material consumed ^(ix) / Average Inventory ^(ix)]	2.53	2.81	2.69	8.71	8.63	14.61
p)	Operating margin (%) [(Profit/(loss) before tax +/- Exceptional items + Foreign exchange loss (net) + Net Finance Charges + Depreciation and amortisation - Other income (excluding incentives)] / Revenue from operations]	11.70%	11.02%	9.20%	10.60%	6.43%	7.79%
q)	Net profit margin (%) [Net profit after tax / Revenue from operations]	24.48%	6.85%	3.20%	10.89%	0.07%	4.15%
r)	Security cover ratio (number of times) ⁽ⁱ⁾ [Secured Assets ^(xii) / Secured Borrowings ^(xii)]	-	-	3.63	-	3.63	4.76

1) 880% non-convertible debentures of face value of ₹1,000 crores, earlier secured by creating a pari passu charge on certain tangible fixed assets, right of use assets and capital work-in-progress, have been repaid during nine months ended December 31, 2023. Hence, Security cover ratio is Nil as at December 31, 2023.

Notes:

- i) Total debits includes non-current and current borrowings
- ii) Equity = Equity share capital + Other equity
- iii) Repayment of borrowings includes repayment of long-term borrowings, proceeds from short-term borrowings, repayment of short-term borrowings and net change in other short-term borrowings (with maturity up to three months)
- iv) Net Worth has been computed on the basis as stated in Clause 2 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. Net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013
- v) Long term borrowings (including current portion of long term borrowings)
- vi) Working capital = Current assets - Current liabilities (excluding current maturities of long term debt and interest accrued on borrowings)
- vii) Bad debts is write off of trade and other receivables
- viii) Trade and other receivables includes Trade receivables, current and non-current loans and advances and other current and non-current assets
- ix) Raw material consumed includes Cost of materials consumed, Purchases of products for sale and Changes in inventories of finished goods, work-in-progress and products for sale
- x) Inventory includes raw materials and components, work-in-progress, finished goods, stores and spare parts, consumable tools and goods-in-transit - raw materials and components
- xi) Secured assets include written down value of secured assets and fixed deposits under lien
- xii) Secured borrowings include 8.80% non-convertible debentures and term loans from financial institutions

4) During the quarter and nine months ended December 31, 2023, the Company recognised Deferred Tax Assets of ₹455.83 crores on previously unrecognised business losses based on the probability of sufficient taxable profit in future periods, basis effective tax rate for the financial year ending March 31, 2024. Further, the Company utilised previously created Deferred Tax Assets against profit on sale of investments in a subsidiary company and other income during the quarter and nine months ended December 31, 2023 of ₹708.45 crores and ₹908.80 crores, respectively

5) During the nine months ended December 31, 2023, provision of ₹13.96 crores has been reversed towards certain indirect taxes matters under litigation for FY 2002 to FY 2006, which is netted off in other expenses.

6) During the quarter and nine months ended December 31, 2023, the Company has partially sold its stake (21.33%) represented by 8,64,36,384 equity shares in Tata Technologies Limited (TTL) for total consideration of ₹3,822.31 crores, which resulted in profit of ₹3,767.91 crores (net of expenses).

7) Tata Motors Limited (the "Company") is amongst the very few companies in India that has its own exempted Pension Fund. In the past few years there have been multiple developments on this front. The Company in year 2019 had made an application to surrender the said exempted Pension fund w.e.f. October 1, 2019. However, the process of concluding the surrender has not yet happened. The Company incurred losses for three consecutive years (during FY 2019-20, 2020-21 & 2021-22), thereby calling for an automatic cancellation/ withdrawal of pension fund exemption. On November 4, 2022, the Hon'ble Supreme Court also ruled that those who were members of a statutory pension fund as on September 1, 2014, can exercise a joint option with their employer to contribute to their Pension fund beyond the statutory limit and be eligible to draw their pension calculated based on last 5 years average salary.

The Company has received various representations from its employees (past and present) to extend the said pension benefits to them as well. To continue to serve the best interests of all stakeholders and to seek a finality on this matter and avoid long drawn litigation, after careful consideration, the Company has accepted and approved the joint options on the Employee Provident Fund Organisation (EPFO) portal, along with a communication to the EPFO that the Company shall fund the additional liability estimated through actuarial valuation. Accordingly, a provision of ₹691.07 crores has been made during the nine months ended December 31, 2023, which has been disclosed as an Exceptional item. EPFO, however, has redirected all the said Joint Applications to the Company's Pension Trust. The Company has filed a Writ Petition with Hon'ble Delhi High Court for seeking directions to EPFO to immediately start administering TML's Pension Fund and not to reject the joint applications. The trade unions have also jointly filed another Writ Petition for expediting the transfer of pension fund corpus and accepting the Joint Applications of the employees. The High Court issued notice to both the Ministry of Labour and EPFO. The EPFO has filed its reply to the Company's Writ Petition thereby rejecting the Company's right to surrender the exemption status unless a proper audit is conducted of the books and records of the Company's Pension fund. The Company is preparing its rejoinder to be filed before the next date of hearing, i.e. March 7, 2024.

8) During the quarter and nine months ended December 31, 2023, the Company has acquired 26.79% stake in Freight Commerce Solutions Private Limited (Freight Tiger) for a consideration of ₹150.00 crores. Freight Tiger is a digital platform that provides end-to-end logistics value chain solutions for cargo movement in the country. The Securities Subscription Agreement (SSA) signed with Freight Tiger also includes a provision enabling the Company to further invest ₹100.00 crores over the next two years, at the then prevailing market value.

9) The Statutory Auditors have carried an audit of the above results for the quarter and nine months ended December 31, 2023 and have issued an unmodified opinion on the same.

Tata Motors Limited



Girish Wagh
Executive Director

Mumbai, February 2, 2024

BSR & Co. LLP

Chartered Accountants

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Westin Hotel Campus
36/3-B, Koregaon Park Annex
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Limited Review Report on unaudited consolidated financial results of Tata Motors Limited for the quarter ended 31 December 2023 and year to date results for the period from 1 April 2023 to 31 December 2023 pursuant to Regulation 33 and Regulation 52(4) read with Regulation 63 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Tata Motors Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Tata Motors Limited (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit after tax and total comprehensive income of its associates and joint ventures for the quarter ended 31 December 2023 and year to date results for the period from 1 April 2023 to 31 December 2023 ("the Statement") (in which are included interim financial statements/ financial results/ financial information of two joint operations), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Limited Review Report (Continued)**Tata Motors Limited**

6. We did not review the interim financial statements /financial information/ financial results of two subsidiaries and 55 step-down subsidiaries included in the Statement, whose interim financial statements /financial information/ financial results reflects total revenues (before consolidation adjustments) of Rs. 78,692.02 crores and Rs. 2,26,483.10 crores, total net profit after tax (before consolidation adjustments) (net) of Rs. 6,254.90 crores and Rs. 12,551.71 crores and total comprehensive income (before consolidation adjustments) (net) of Rs. 8,948.48 crores and Rs. 17,578.99 crores, for the quarter ended 31 December 2023 and for the period from 1 April 2023 to 31 December 2023 respectively, as considered in the Statement. The Statement also include the Group's share of net profit after tax of Rs. 60.41 crores and Rs. 184.47 crores and total comprehensive income of Rs. 60.41 crores and Rs. 184.47 crores, for the quarter ended 31 December 2023 and for the period from 1 April 2023 to 31 December 2023 respectively as considered in the Statement, in respect of three associates and two joint ventures, whose interim financial statements / interim financial information/ interim financial results have not been reviewed by us. These interim financial statements / interim financial information/ interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ step-down subsidiaries/ associates/ joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Two of these step-down subsidiaries are located outside India whose interim financial statements/financial information/financial results/financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial statements/financial information/financial results/financial statements of such step-down subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the balances and affairs of such step-down subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our conclusion is not modified in respect of this matter.

7. The Statement includes the interim financial statements /financial information/ financial results of nine subsidiaries and twelve step-down subsidiaries which have not been reviewed, whose interim financial statements /financial information/ financial results reflect total revenues (before consolidation adjustments) of Rs. 1,437.93 crores and Rs. 3,227.53 crores, total net loss after tax (before consolidation adjustments) (net) of Rs. 1.72 crores and Rs. 27.36 crores and total comprehensive loss (before consolidation adjustments) (net) of Rs. 2.12 crores and Rs. 28.41 crores, for the quarter ended 31 December 2023 and for the period from 1 April 2023 to 31 December 2023 respectively, as considered in the Statement. The Statement also includes the Group's share of net profit after tax (net) of Rs. 128.83 crores and Rs. 256.80 crores and total comprehensive income (net) of Rs. 128.83 crores and Rs. 256.80 crores, for the quarter ended 31 December 2023 and for the period from 1 April 2023 to 31 December 2023 respectively as considered in the Statement, in respect of five associates and one joint venture, based on their interim financial statements /financial information/ financial results which have not been reviewed. According to the information and explanations given to us by the Parent's management, these interim financial statements /financial information/ financial results are not material to the Group.

Our conclusion is not modified in respect of this matter.



B S R & Co. LLP

Limited Review Report (Continued)

Tata Motors Limited

8. We did not review the interim financial statements/financial information/financial results of one joint operation included in the Statement, whose results reflect total revenues (before consolidation adjustments) of Rs. 5,279.16 crores and Rs.14,925.57 crores, total net profit after tax (before consolidation adjustments) of Rs. 100.87 crores and Rs. 381.33 crores and total comprehensive income (before consolidation adjustments) of Rs. 99.32 crores and Rs. 379.90 crores, for the quarter ended 31 December 2023 and for the period from 1 April 2023 to 31 December 2023 respectively, as considered in the statement. The interim financial statements/financial information/financial results of this joint operation has been reviewed by other auditor whose report has been furnished to us by the Parent's Management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this joint operation, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

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



Shiraz Vastani

Partner

Mumbai

02 February 2024

Membership No.: 103334

UDIN:24103334BKGENT3596

Limited Review Report (Continued)

Tata Motors Limited

Annexure I

List of entities included in unaudited consolidated financial results.

Sr. No	Name of component	Relationship
1	TML Business Services Limited	Subsidiary
2	Tata Technologies Limited	Subsidiary
3	Tata Motors Body Solutions Limited (Name changed from Tata Morcopolo Motors Limited with effect from 30 December 2022)	Subsidiary
4	TMF Holding Limited	Subsidiary
5	Tata Motors Insurance Broking and Advisory Services Limited	Subsidiary
6	Jaguar Land Rover Technology and Business Services India Private Limited (Name changed from JT Special Vehicles Pvt. Limited with effect from April 12, 2022)	Subsidiary
7	Tata Hispano Motors Carrocera S.A	Subsidiary
8	TML Holdings Pte, Ltd; Singapore	Subsidiary
9	Tata Precision Industries Pte Ltd	Subsidiary
10	Tata Hispano Motors Carrocerries Maghreb SA	Subsidiary
11	Brabo Robotics and Automation Limited	Subsidiary
12	Tata Motors Passenger Vehicles Limited	Subsidiary
13	TML CV Mobility Solutions Limited	Subsidiary
14	Tata Passenger Electric Mobility Ltd.	Subsidiary
15	TML Smart City Mobility Solutions Limited	Subsidiary
16	Trilix S.R.L	Step down Subsidiary
17	Jaguar Land Rover India Limited	Step down subsidiary
18	Tata Motors Finance Limited	Step down subsidiary

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Limited Review Report (Continued)
Tata Motors Limited

19	Tata Daewoo Commercial Vehicle Co Ltd	Step down subsidiary
20	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited	Step down subsidiary
21	Tata Motors (Thailand) Ltd	Step down subsidiary
22	Tata Motors (SA) (Propreitary) Ltd	Step down subsidiary
23	P.T. Tata Motors Indonesia	Step down subsidiary
24	Jaguar Land Rover Automotive PLC	Step down subsidiary
25	PT Tata Motors Distribusi Indonesia	Step down subsidiary
26	Jaguar Land Rover France SAS	Step down subsidiary
27	Jaguar Land Rover Italia SPA	Step down subsidiary
28	Jaguar Land Rover Portugal Veiculos e Pecas Lda	Step down subsidiary
29	Jaguar Land Rover Espana SL	Step down subsidiary
30	Jaguar Land Rover Deutschland GmbH	Step down subsidiary
31	Jaguar Land Rover Austria GmbH	Step down subsidiary
32	Jaguar Land Rover Australia Pty Limited	Step down subsidiary
33	Jaguar Land Rover Japan Limited	Step down subsidiary
34	Jaguar Land Rover Canada ULC	Step down subsidiary
35	Jaguar Land Rover Belux NV	Step down subsidiary
36	Jaguar Land Rover Nederland BV	Step down subsidiary
37	Jaguar Land Rover (South Africa) (Pty) Ltd	Step down subsidiary
38	JLR Nominee Company Limited	Step down subsidiary
39	Jaguar Land Rover (South Africa) Holdings Limited	Step down subsidiary



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Limited Review Report (Continued)
Tata Motors Limited

40	Jaguar Cars Limited	Step down subsidiary
41	Jaguar Cars (South Africa) (Pty) Ltd	Step down subsidiary
42	S S Cars Limited	Step down subsidiary
43	Daimler Transport Vehicles Limited	Step down subsidiary
44	Jaguar Land Rover North America LLC	Step down subsidiary
45	Jaguar Land Rover Holdings Limited	Step down subsidiary
46	Jaguar Land Rover Limited	Step down subsidiary
47	Land Rover Exports Limited	Step down subsidiary
48	The Lanchester Motor Company Limited	Step down subsidiary
49	The Daimler Motor Company Limited	Step down subsidiary
50	Jaguar Land Rover Korea Company Limited	Step down subsidiary
51	Jaguar land rover (China) Investment Co. Limited	Step down subsidiary
52	Jaguar e Land rover Brasil Industria e Comercio de veiculos LTDA	Step down subsidiary
53	Limited Liability Company "Jaguar land rover" (Russia)	Step down subsidiary
54	Land Rover Ireland Limited	Step down subsidiary
55	Shanghai Jaguar Land Rover Automotive Services Company Limited	Step down subsidiary
56	Jaguar Land Rover Pension Trustees Limited	Step down subsidiary
57	Jaguar Land Rover Slovakia S.R.O	Step down subsidiary
58	Jaguar Land Rover Singapore Pte. Ltd.	Step down subsidiary
59	Jaguar Racing Limited	Step down subsidiary
60	Inmotion Ventures Limited	Step down subsidiary



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Limited Review Report (Continued)
Tata Motors Limited

61	Inmotion Ventures 2 Limited	Step down subsidiary
62	Inmotion Ventures 3 Limited	Step down subsidiary
63	Jaguar Land Rover Columbia S.A.S	Step down subsidiary
64	Tata Technologies Inc.	Step down subsidiary
65	Tata Technologies De Mexico, S.A. de C.V.	Step down subsidiary
66	Tata Technologies Pte Limited	Step down subsidiary
67	Tata Technologies (Thailand) Limited	Step down subsidiary
68	Tata Technologies Europe limited	Step down subsidiary
69	Incat International PLC	Step down subsidiary
70	Tata Technologies GmbH	Step down subsidiary
71	Cambric Limited	Step down subsidiary
72	Tata Technologies SRL Romania	Step down subsidiary
73	Tata Manufacturing Technologies (Shanghai) Limited	Step down subsidiary
74	Tata Technologies Nordics AB	Step down subsidiary
75	TMF Business Services Limited	Step down subsidiary
76	Tata Motors Design Tech Center plc	Step down subsidiary
77	Jaguar Land Rover Ireland (Services) Limited	Step down subsidiary
78	Jaguar Land Rover Mexico, SAPI de CV - Mexico	Step down subsidiary
79	Jaguar Land Rover Servicios Mexico, S.A. de C.V. - Mexico	Step down subsidiary
80	Jaguar Land Rover Taiwan Company LTD	Step down subsidiary
81	Jaguar Land Rover Hungary KFT	Step down subsidiary
82	Jaguar Land Rover Classic USA LLC	Step down subsidiary

Limited Review Report (Continued)
Tata Motors Limited

83	Jaguar Land Rover Classic Deutschland GmbH	Step down subsidiary
84	Jaguar Land Rover Ventures Ltd	Step down subsidiary
85	Jaguar Land Rover (Ningbo) Trading Co. Limited	Step down subsidiary
86	Bowler Motors Limited	Step down subsidiary
87	In-Car Ventures Limited	Step down subsidiary
88	Tata Cummins Private Limited	Joint Operation
89	Fiat India Automobiles Private Limited	Joint Operation
90	Nita Company Ltd	Associate
91	Jaguar Cars Finance Limited	Associate
92	Automobile Corporation of Goa Limited	Associate
93	Tata Hitachi Construction Machinery Company Private Limited	Associate
94	Tata Precision Industries (India) Limited	Associate
95	Tata Autocomp Systems Limited	Associate
96	Inchcape JLR Europe Limited	Associate
97	Chery Jaguar Land Rover Automotive Company Ltd	Joint Venture
98	Loginomic Tech Solutions Limited	Joint Venture
99	Jaguar Land Rover Schweiz AG	Joint Venture
100	Sertec Corporation	Associate
101	TML Smart City Mobility Solutions (J&K) Private Limited (Incorporated with effect from 13 October 2022)	Step down subsidiary
102	Incat International PLC 2000 Trust (UK ESOP Trust)	Step down subsidiary
103	Tata Technologies Limited- Employee Stock Option Trust (TTL ESOP Trust)	Step down subsidiary



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Limited Review Report (Continued)

Tata Motors Limited

104	TCPL Green Energy Solutions Private Limited	Step down subsidiary of Joint Operation
105	Freight Commerce Solutions Private Limited	Associate





TATA MOTORS LIMITED

Regd. Office: Bombay House, 24, Hornby Road, N. Mumbai 400 001
CIN: L28920MH1945PLC004520

(₹ in crores)

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

Particulars	Quarter ended			Nine months ended		Year ended
	December 31,	September 30,	December 31,	December 31,		March 31,
	2023	2023	2022	2023	2022	2023
	Unaudited					Audited
I Revenue from operations:						
(a) Revenue	109,799.22	104,443.06	87,780.21	385,770.77	237,857.89	342,874.59
(b) Other operating revenues	777.92	685.18	705.38	2,570.69	2,576.73	3,092.38
Total revenue from operations (a)+(b)	110,577.14	105,128.24	88,485.59	388,341.46	240,434.62	345,966.97
II Other income (includes government incentives)	1,498.80	1,630.74	1,100.38	4,490.08	3,056.25	4,633.18
III Total income (I + II)	112,075.94	106,758.98	89,585.97	392,831.54	243,490.87	350,600.15
IV Expenses:						
(a) Cost of materials consumed	63,850.42	57,985.15	53,355.87	184,314.73	148,732.37	208,944.31
(b) Purchase of products for sale	6,094.3	3,928.54	5,478.30	17,629.79	16,059.26	22,306.95
(c) Changes in inventories of finished goods, work-in-progress and products for sale	(5,666.86)	4,996.01	(5,368.53)	(2,973.64)	(6,586.37)	(4,786.62)
(d) Employee benefits expense	13,032.24	13,078.94	8,512.90	31,062.96	24,277.18	33,654.70
(e) Finance costs	2,484.91	2,651.69	2,675.83	7,751.99	7,583.81	10,225.48
(f) Compulsorily convertible preference share measured at fair value	-	49.80	-	49.80	-	13.75
(g) Foreign exchange (gain)/loss (net)	(85.03)	(92.83)	(1,077.27)	163.97	214.44	(303.88)
(h) Depreciation and amortisation expense	8,850.00	6,636.42	6,071.78	20,396.60	17,890.16	24,860.36
(i) Product development/engineering expenses	2,740.37	2,550.56	2,636.63	7,704.61	7,850.10	10,661.96
(j) Other expenses	8,895.27	18,541.70	14,979.83	57,003.32	43,355.41	61,785.96
(k) Amount transferred to capital and other account	18,771.75	(6,696.59)	(4,802.38)	(19,405.04)	(10,743.05)	(18,434.84)
Total expenses (IV)	104,493.68	100,649.41	86,415.96	303,410.02	246,623.31	349,033.13
V Profit/(loss) before exceptional items and tax (III-IV)	7,582.26	6,109.57	3,203.01	19,021.52	(3,532.44)	1,467.02
VI Exceptional items:						
(a) Defined benefit pension plan amendment past service cost (refer note 7)	-	-	-	-	(3,495.07)	(3,495.07)
(b) Employee separation cost	67.87	0.38	-	69.84	145	145
(c) Impairment/(reversal) of property, plant and equipment and intangible assets under development	20.43	81.32	-	101.75	(46.95)	229.96
(d) Reversal for onerous contracts and related supplier claims	-	-	-	-	(61.03)	(61.03)
(e) Reversal of impairment in subsidiaries (refer note 8)	-	-	-	-	(214.39)	(214.39)
(f) (Reversal)/cost of provision for purchase of passenger vehicle undertaking	-	(116)	-	(7.55)	9.00	9.00
(g) Cost of demerger between subsidiaries of vehicle financing business	-	-	-	38.49	-	-
(h) Provision for employee pension scheme (refer note 5)	-	44.70	-	690.07	-	-
(i) Others	-	(0.55)	0.40	(4.63)	114	(60.45)
VII Profit/(loss) before tax (V-VI)	7,492.96	5,985.88	3,202.61	18,032.55	(3,726.59)	3,057.55
VIII Tax (credit)/expense (net):						
(a) Current tax	1,145.25	1,184.84	(826.13)	3,648.17	2,341.58	3,258.35
(b) Deferred tax	(623.46)	1,088.00	(563.30)	689.47	(896.87)	(2,554.29)
Total tax (credit)/expense (net)	521.79	2,202.84	(262.83)	4,337.64	1,324.71	704.06
IX Profit/(loss) for the period (VII-VIII)	6,971.17	3,783.04	2,939.78	13,694.91	(5,051.30)	2,353.49
X Share of profit of joint ventures and associates (net)	193.26	49.04	103.57	453.25	245.11	336.38
XI Profit/(loss) for the period (IX+X)	7,164.43	3,832.08	3,043.35	14,148.16	(4,806.19)	2,689.87
Attributable to:						
(a) Shareholders of the Company	7,025.11	3,764.00	2,957.71	13,991.91	(2,993.50)	2,414.29
(b) Non-controlling interests	139.32	68.08	85.44	286.25	812.69	275.58
XII Other comprehensive income/(loss)						
(A) (i) Items that will not be reclassified to profit or loss (refer note 6)	(2,852.98)	170.04	(3,377.38)	(3,968.62)	625.60	(329.36)
(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss	779.80	65.76	862.87	1,059.79	(158.69)	73.53
(B) (i) Items that will be reclassified to profit or loss	7,998.93	(4,594.67)	3,803.97	10,412.57	(4,101.54)	(478.44)
(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss	(1,304.29)	708.32	(1,259.33)	(819.73)	(1,094.98)	(1,181.06)
Total other comprehensive income/(loss)	4,621.46	(3,723.07)	8,090.11	6,684.01	(4,723.60)	(1,915.33)
XIII Total comprehensive income/(loss) for the period (net of tax) (XI + XII)	8,746.89	109.01	11,073.26	20,832.17	(9,529.79)	774.54
Attributable to:						
(a) Shareholders of the Company	8,666.07	46.61	10,960.22	20,712.71	(7,743.04)	479.20
(b) Non-controlling interests	80.82	62.32	83.04	249.46	203.26	295.34
XIV Paid-up equity share capital (face value of ₹2 each)	766.32	766.21	766.01	766.32	766.01	766.02
XV Reserves excluding revaluation reserves						44,555.77
XVI Earnings per share (EPS)						
A. Ordinary shares (face value of ₹2 each)						
(a) Basic EPS	18.32	9.81	7.71	36.51	(7.82)	6.29
(b) Diluted EPS	18.30	9.80	7.71	36.48	(7.82)	6.29
B. 'A' Ordinary shares (face value of ₹2 each)						
(a) Basic EPS	18.42	9.91	7.81	36.61	(7.82)	6.39
(b) Diluted EPS	18.40	9.90	7.81	36.58	(7.82)	6.39
	Not Annualised					

Segment wise Revenue, Results, Assets and Liabilities

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

Operating segments consist of:

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

Other operating segments do not meet the quantitative thresholds for disclosure and have been aggregated.

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

Particulars		Quarter ended			Nine months ended		Year ended
		December 31,	September 30,	December 31,	December 31,		March 31,
		2023	2023	2022	2023	2022	2023
		Unaudited					Audited
A. Segment Revenue:							
Revenue from operations							
Automotive and related activity							
- Tata and other brands vehicles							
(a) Commercial Vehicle	20,022.67	20,086.68	16,885.74	57,200.60	49,575.95	70,815.85	
(b) Passenger Vehicle	12,960.09	12,173.54	11,671.12	37,922.66	35,774.71	47,867.83	
(c) Corporate/Unallocable	162.02	148.91	81.60	441.41	247.72	360.21	
- Vehicle Financing	996.95	1,054.21	1,142.94	3,192.46	3,526.88	4,595.24	
- Jaguar and Land Rover	76,655.29	71,786.56	58,862.97	219,837.39	151,396.66	222,859.73	
Less: Intra segment eliminations	(3,388.86)	(3,089.86)	(1,002.86)	(3,493.19)	(2,752.08)	(3,857.68)	
- Total	109,548.16	104,160.04	87,641.51	316,021.31	237,769.91	342,641.18	
Others	1,526.59	1,452.16	1,230.37	4,348.73	3,303.88	4,808.62	
Total Segment Revenue	111,074.75	105,612.20	88,872.88	320,370.04	241,073.79	347,449.80	
Less: Inter segment revenue	(497.60)	(483.96)	(383.29)	(1,458.60)	(1,039.17)	(1,482.83)	
Revenue from Operations	110,577.14	105,128.24	88,489.59	318,911.44	240,034.62	345,966.97	
B. Segment results before other income (excluding government incentives), finance costs, foreign exchange gain/loss (net), exceptional items and tax:							
Automotive and related activity							
- Tata and other brands vehicles							
(a) Commercial Vehicle	1,751.30	1,613.54	1,055.51	4,409.95	1,853.38	3,693.28	
(b) Passenger Vehicle	278.45	248.71	194.04	588.65	385.97	542.17	
(c) Corporate/Unallocable	(53.30)	(86.89)	(92.28)	(232.56)	(123.31)	(157.84)	
- Vehicle Financing (net off finance costs pertaining to borrowings sourced by the segment)	(460.49)	(555.27)	(535.92)	(687.72)	(794.04)	(1,385.09)	
- Jaguar and Land Rover	6,880.77	5,369.46	2,683.74	17,967.3	(994.57)	3,481.69	
Less: Intra segment eliminations	(62.94)	(10.51)	35.30	(68.97)	(46.46)	(17.56)	
- Total	6,333.79	6,989.04	3,340.39	21,956.46	360.87	6,566.65	
Others	237.71	227.50	795.44	730.32	561.13	826.24	
Total Segment results	6,571.50	7,216.54	3,535.83	22,686.78	922.10	6,962.89	
Less: Inter segment eliminations	(1,000)	(719)	(30.60)	7.37	(2.81)	(5.13)	
Net Segment results	5,570.47	7,230.73	3,505.23	22,694.15	919.29	6,998.02	
Add/Less: Other income (excluding Government Incentives)	791.57	807.22	455.14	2,236.01	1,388.11	1,719.82	
Add/Less: Finance costs (excluding pertaining to borrowings sourced by the vehicle finance segment)	(1,824.81)	(2,024.19)	(1,934.63)	(5,747.67)	(5,425.40)	(7,354.70)	
Add/Less: Foreign exchange gain/loss (net)	85.03	92.81	1,077.27	(63.97)	(214.44)	103.88	
Add/Less: Exceptional items - gain/loss	-	-	-	-	-	-	
- Tata and other brands vehicles							
(a) Commercial Vehicle	(80.45)	(118.18)	-	(756.13)	(1.36)	(278.28)	
(b) Passenger Vehicle	(6.78)	1.18	-	0.77	313.37	313.37	
(c) Corporate/Unallocable	(1.07)	(6.67)	-	(98.20)	(10.09)	(10.09)	
- Vehicle Financing	-	-	-	(38.49)	-	-	
- Jaguar and Land Rover	-	-	(12.40)	3.08	(1,493.93)	(1,555.53)	
Total Profit/(loss) before tax	7,493.96	5,985.88	3,200.61	16,032.55	(1,726.99)	3,067.55	
C. Segment Assets (including assets classified as held for sale)							
Automotive and related activity							
- Tata and other brands vehicles							
(a) Commercial Vehicle	32,076.42	32,076.42	-	34,942.09	31,220.79	30,250.90	
(b) Passenger Vehicle	21,993.23	21,993.23	-	21,286.57	16,139.25	19,591.89	
(c) Corporate/Unallocable	1,530.83	1,530.83	-	1,636.89	2,019.47	1,475.15	
- Vehicle Financing	33,624.61	33,624.61	-	31,847.57	37,243.92	35,842.97	
- Jaguar and Land Rover	388,151.71	388,151.71	-	193,690.48	179,876.23	181,843.78	
Less: Intra segment eliminations	(1,794.68)	(1,794.68)	-	(1,304.60)	(1,296.24)	(2,393.94)	
- Total	274,862.12	274,862.12	-	288,095.30	265,203.42	266,843.75	
Others	4,548.02	4,548.02	-	4,650.57	3,562.72	4,751.44	
Total Segment Assets	279,410.14	279,410.14	-	292,745.87	268,766.14	271,595.19	
Less: Inter segment eliminations	(1,388.16)	(1,388.16)	-	(1,407.49)	(1,262.41)	(1,226.78)	
Net Segment Assets	278,021.98	278,021.98	-	291,338.38	267,503.73	269,438.43	
Investment in equity accounted investees							
- Tata and other brands vehicles-Corporate/Unallocable	803.09	803.09	-	888.34	657.84	716.01	
- Jaguar and Land Rover	3,303.25	3,303.25	-	3,442.74	3,287.53	3,349.41	
- Others	627.67	627.67	-	624.79	606.62	610.24	
Add: Unallocable assets	64,245.95	64,245.95	-	62,833.96	57,457.56	61,967.29	
Total Assets	347,002.94	347,002.94	-	363,328.21	329,512.26	336,081.38	
D. Segment Liabilities							
Automotive and related activity							
- Tata and other brands vehicles							
(a) Commercial Vehicle	22,091.23	22,091.23	-	23,945.32	19,412.27	22,543.11	
(b) Passenger Vehicle	14,396.23	14,396.23	-	14,607.52	11,721.27	12,618.89	
(c) Corporate/Unallocable	1,853.28	1,853.28	-	1,201.23	892.44	1,252.27	
- Vehicle Financing	1,185.45	1,185.45	-	1,304.64	1,086.15	1,241.37	
- Jaguar and Land Rover	114,070.77	114,070.77	-	119,281.73	100,492.00	106,380.14	
Less: Intra segment eliminations	(1,506.53)	(1,506.53)	-	(1,009.68)	(1,149.77)	(1,257.37)	
- Total	152,090.43	152,090.43	-	159,330.83	132,454.36	141,776.41	
Others	2,354.08	2,354.08	-	2,438.87	1,960.23	2,252.12	
Total Segment Liabilities	154,444.51	154,444.51	-	161,769.70	134,414.59	144,028.53	
Less: Inter segment eliminations	(478.38)	(478.38)	-	(508.54)	(324.55)	(312.46)	
Net Segment Liabilities	153,966.13	153,966.13	-	161,261.16	134,090.04	143,716.07	
Add: Unallocable liabilities	132,155.09	132,155.09	-	116,766.96	153,619.17	139,763.80	
Total Liabilities	286,121.22	286,121.22	-	278,028.12	287,709.21	283,480.87	

Notes -

- 1) The above results were reviewed and recommended by the Audit Committee on February 1, 2024 and approved by the Board of Directors at its meeting held on February 2, 2024.
- 2) Additional Information pursuant to requirement of Regulation 52(4) and Regulation 54(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 as amended and as of period ended December 31, 2023.

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31,	September 30,	December 31,	December 31,		March 31,
		2023	2023	2022	2023	2022	2023
		Unaudited					Audited
a)	Debt Equity Ratio (number of times) [Total Debt ⁽ⁱ⁾ / Equity ⁽ⁱⁱ⁾]	1.58	2.23	3.68	1.58	3.68	2.77
b)	Debt Service Coverage Ratio (number of times) (not annualised) [(Profit/ (loss) before exceptional items and tax + Interest on borrowings) / Interest on borrowings + Repayment of borrowings ⁽ⁱⁱⁱ⁾]	0.81	1.8	0.46	0.79	0.30	0.23
c)	Interest Service Coverage Ratio (number of times) (not annualised) [(Profit/ (loss) before exceptional items and tax + Interest on borrowings) / Interest on borrowings]	4.85	3.80	2.42	4.03	0.45	1.17
d)	Capital redemption reserve (₹ in crores)	2.28	2.28	2.28	2.28	2.28	2.28
e)	Debenture redemption reserve (₹ in crores)	28.34	28.34	48.14	28.34	48.14	28.34
f)	Net worth ^(iv) (₹ in crores) [Equity share capital + Other equity]	67,826.77	53,642.89	37,052.82	67,826.77	37,052.82	45,328.79
g)	Profit/(Loss) for the period (₹ in crores)	7,145.43	3,832.08	3,043.15	14,278.16	(2,806.17)	2,689.87
h)	Earnings per share (EPS) A. Ordinary shares (face value of ₹2 each) (a) Basic (₹) (b) Diluted (₹) B. 'A' Ordinary shares (face value of ₹2 each) (a) Basic (₹) (b) Diluted (₹)	18.32 18.30 18.42 18.40	9.81 9.80 9.91 9.90	7.71 7.71 7.81 7.81	36.51 36.48 36.61 36.58	(7.82) (7.82) (7.82) (7.82)	6.29 6.29 6.39 6.39
		Not annualised					
i)	Current ratio (number of times) [Current assets / Current liabilities]	0.98	0.99	0.96	0.98	0.96	0.98
j)	Long term debt to working capital (number of times) [Long Term Borrowings ^(v) / Working capital ^(vi)]	3.94	4.97	5.48	3.94	5.48	5.30
k)	Bad debts to Account receivable ratio (X) [Bad Debts ^(vii) / Average of trade and other receivables ^(viii)]	0.88%	0.02%	0.08%	0.22%	0.39%	0.40%
l)	Current liability ratio (number of times) [Current Liabilities (excluding current maturities of long term debt and interest accrued on borrowings) / Total liabilities]	0.50	0.49	0.43	0.50	0.43	0.46
m)	Total debts to total assets (number of times) [(Non current borrowings + Current borrowings) / Total assets]	0.30	0.34	0.41	0.30	0.41	0.37
n)	Debtors turnover (number of times) (not annualised) [Revenue from operations (excluding finance revenue) / Average trade receivables]	7.02	6.06	6.20	21.10	17.31	24.25
o)	Inventory turnover (in times) (not annualised) [Raw material consumed ^(ix) / Average inventory ^(x)]	1.44	1.41	1.44	4.44	4.8	5.96
p)	Operating margin (X) [(Profit/ (loss) before exceptional items and tax + Finance costs (excluding finance costs pertaining to borrowings sourced by vehicle financing segment) + Foreign exchange (gain/loss (net)) + Depreciation and amortisation expense - Other Income (excluding incentives)] / Revenue from operations]	13.95%	13.19%	10.82%	13.47%	7.80%	9.28%
q)	Net profit margin (X) [Profit/(loss) for the period / Revenue from operations]	6.46%	3.65%	3.44%	4.49%	1.17%	0.78%

Notes -

- (i) Total debt includes non-current and current borrowings.
- (ii) Equity = equity attributable to owners of Tata Motors Limited.
- (iii) Repayment of borrowing includes repayment of long-term borrowings, proceeds from short-term borrowings, repayment of short-term borrowings and net change in other short-term borrowings (with maturity up to three months).
- (iv) Net worth has been computed on the basis as stated in Clause 2 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. Net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.
- (v) Long term borrowings (including current portion of long term borrowings).
- (vi) Working capital = current assets-current liabilities (excluding current maturities of long term debt and interest accrued on borrowings).
- (vii) Bad debts is write off of trade and other receivables.
- (viii) Trade and other receivables includes trade receivables, non-current and current loans and advances, non-current and current other assets.
- (ix) Raw material consumed includes cost of materials consumed, purchase of products for sale and changes in inventories of finished goods, work-in-progress and products for sale.
- (x) Inventory includes raw materials and components, work-in-progress, finished goods, stores and spare parts, consumable tools and goods-in-transit raw materials and components.

- 3) During the quarter and nine months ended December 31, 2023, the Company has partially sold its stake (21.3%) represented by 8,64,36,184 equity shares in Tata Technologies Limited (TTL) for total consideration of ₹ 3,812.31 crores. The gain on sale of ₹ 3,089.85 crores has been accounted in retained earnings as the Company has retained the control over TTL.
- 4) During the quarter and nine months ended December 31, 2023, the Company has acquired 26.79% stake in Freight Commerce Solutions Private Limited (Freight Tiger) for a consideration of ₹150.00 crores and has recorded this investment as an equity-accounted investee. Freight Tiger is a digital platform that provides end-to-end logistics value chain solutions for cargo movement in the country. The Securities Subscription Agreement (SSA) signed with Freight Tiger also includes a provision enabling the Company to further invest ₹100.00 crores over the next two years, at the then prevailing market value.
- 5) Tata Motors Limited (the "Company") is amongst the very few companies in India that has its own exempted Pension Fund. In the past few years there have been multiple developments on this front. The Company in year 2019 had made an application to surrender the said exempted Pension fund w.e.f. October 1, 2019. However, the process of concluding the surrender has not yet happened. The Company incurred losses for three consecutive years (during FY 2019-20, 2020-21 & 2021-22), thereby calling for an automatic cancellation/ withdrawal of pension fund exemption. On November 4, 2022, the Hon'ble Supreme Court also ruled that those who were members of a statutory pension fund as on September 1, 2014, can exercise a joint option with their employer to contribute to their Pension fund beyond the statutory limit and be eligible to draw their pension calculated based on last 5 years average salary.

The Company has received various representations from its employees (past and present) to extend the said pension benefits to them as well. To continue to serve the best interests of all stakeholders and to seek a finality on this matter and avoid long drawn litigation, after careful consideration, the Company has accepted and approved the joint options on the Employee Provident Fund Organization (EPFO) portal, along with a communication to the EPFO that the Company shall fund the additional liability estimated through actuarial valuation. Accordingly, a provision of ₹691.07 crores has been made during the nine months ended December 31, 2023, which has been disclosed as an Exceptional item.

EPFO, however, has redirected all the said Joint Applications to the Company's Pension Trust. The Company has filed a Writ Petition with Hon'ble Delhi High Court for seeking directions to EPFO to immediately start administering TML's Pension Fund and not to reject the joint applications. The trade unions have also jointly filed another Writ Petition for expediting the transfer of pension fund corpus and accepting the Joint Applications of the employees. The High Court issued notice to both the Ministry of Labour and EPFO. The EPFO has filed its reply to the Company's Writ Petition thereby rejecting the Company's right to surrender the exemption status under a proper audit is conducted of the books and records of the Company's Pension fund. The Company is preparing its rejoinder to be filed before the next date of hearing, i.e. March 7, 2024.

- 6) In June 2023, Jaguar Land Rover (JLR) was informed that one of the investments held by the UK Defined Benefit pension schemes has been revalued by the fund's independent valuation agent and that the valuation of the holding as of March 31, 2023, across the schemes, has been reduced by ₹792.83 crores (£78 million) to ₹756.67 crores (£73 million). This change in asset value is included in OCI as part of the asset and liability movements for the nine months period ended December 31, 2023.
- 7) During the nine months ended December 31, 2022, JLR had recognised a pension past service credit of ₹1,495.07 crores (£155 million) due to change in inflation index from RPI to CPI.
- 8) As part of slump sale (passenger vehicle undertaking), the investments in wholly owned subsidiaries of the Company engaged in designing services namely Tata Motors Design Tech Centre plc (TMDTC) (Formerly known as Tata Motors European Technical Centre PLC) and Trilix S.r.l (Trilix) have been transferred to Tata Motors Passenger Vehicle Limited, a wholly owned subsidiary of the Company, w.e.f. January 1, 2022. These subsidiaries were then transferred to Tata Passenger Electric Mobility Ltd., another wholly owned subsidiary of the Company. During the nine months ended December 31, 2022 the Company reassessed the recoverable value of assets belonging to TMDTC and accordingly provision for impairment towards the assets was reversed amounting to ₹214.39 crores (£23.57 million).
- 9) The Statutory Auditors have carried out a limited review of the consolidated financial results for the quarter and nine months ended December 31, 2023 and have issued an unmodified opinion on the same.

Mumbai, February 2, 2024

TATA MOTORS LIMITED



GRISH WAGH
Executive Director

Details of ongoing adjudication and recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors

- i. Details of ongoing litigation, adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken against the Company as on December 31, 2023

Note: All outstanding criminal litigations, actions by regulatory authorities and statutory authorities, disciplinary actions including any penalty imposed by SEBI or stock exchanges against TML in the last five Financial Years have been disclosed below. With respect to civil litigations, direct and tax matters (direct or indirect) only material litigations against TML have been disclosed. 'Material' implies where the monetary amount of claim against TML in any such pending proceeding is in excess of 1% (one percent) of the consolidated net worth as of March 31, 2023, as per their latest audited consolidated financial statements of TML, being INR 452.318 cr. It is clarified that for the above purposes, pre-litigation notices received by TML (excluding notices issued by statutory or regulatory or taxation authorities), have not been considered as litigation until such time that TML is not impleaded as a defendant in the litigation proceedings before any judicial/ arbitral forum.

Criminal Litigation

- (i) Sharada Satappa Hondule, an inspector under the Factories Act, 1948 ("**Factories Act**") ("**Complainant**") has filed a complaint against Satish Balkrishna Borwankar, an ex-employee of TML, in his capacity as an occupier of a factory of TML at that point of time, before the Additional Chief Judicial Magistrate, Pune for alleged violation of Section 21(1)(iv) (c) of the Factories Act. The Complainant has alleged *inter alia* that the dangerous part of the machinery was not securely fenced at a car plant on account of which a worker injured his finger while he was testing an engine. The matter is currently pending.
- (ii) Sharada Satappa Hondule, an inspector under the Factories Act ("**Complainant**") has filed a complaint against Ravindra Pisharody, an ex-employee of TML, in his capacity as an occupier of a factory of TML at that point of time, before the Additional Chief Judicial Magistrate, Pune for alleged violation of Section 7A(2)(c) of the Factories Act. The Complainant has alleged *inter alia* that training and supervision which is necessary to ensure health and safety of the workers had not been provided, on account of which a temporary worker died while unloading bentonite bags in the hopper. The matter is currently pending.
- (iii) Sunil R. Thakare, an inspector under the Factories Act ("**Complainant**") has filed a complaint against Satish Balkrishna Borwankar, an ex-employee of TML, in his capacity as an occupier of a factory of TML at that point of time, before the Additional Chief Judicial Magistrate, Pune for alleged violation of Rule 73F(a) of the Maharashtra Factory Rules, 1963. The Complainant has alleged *inter alia* that suitable and sufficient equipment was not provided to the workers while working near a fragile roof on account of which a worker fell and injured himself. The matter is currently pending.
- (iv) Sandip Londhe, an inspector under the Factories Act ("**Complainant**") has filed a complaint against Satish Balkrishna Borwankar, an ex-employee of TML, in his capacity as an occupier of a factory of TML at that point of time, before the Additional Chief Judicial Magistrate, Pune for alleged violation of Rule 4(3) of the Maharashtra Factory Rules, 1963. The Complainant has alleged *inter alia* that the condition in the approval letter for sanctioning the car plant has not been complied with since a revised stability certificate for LPG installation had not been obtained. The matter is currently pending.
- (v) Sunil R. Thakare, an inspector under the Factories Act ("**Complainant**") has filed a complaint against Satish Balkrishna Borwankar, an ex-employee of TML, in his capacity as an occupier of a factory of TML at that point of time, before the Additional Chief Judicial Magistrate, Pune for alleged violation of Rule 73F(a) of the Maharashtra Factory

Rules, 1963 and Section 7A(2)(c) of the Factories Act. The Complainant has alleged *inter alia* that suitable and sufficient equipment was not provided to the workers while working near a fragile roof on account of which a worker fell and injured himself. The matter is currently pending.

- (vi) Sandip Londhe, an inspector under the Factories Act ("**Complainant**") has filed a complaint against Satish Balkrishna Borwankar, an ex-employee of TML, in his capacity as an occupier of a factory of TML at that point of time, before the Additional Chief Judicial Magistrate, Pune for alleged violation of Sections 21(1)(iv)(c) and 7A(2)(c) of the Factories Act. The Complainant has alleged *inter alia* that the dangerous part of the machinery was not securely fenced at a car plant and training and supervision necessary to ensure health and safety of the workers had not been provided, on account of which part of an apprentice's hand was amputated. The matter is currently pending.
- (vii) Irfan S. Khan, an inspector under the Factories Act ("**Complainant**") has filed a complaint against Guenter Butschek, the ex-managing director and chief executive officer of TML, before the Additional Chief Judicial Magistrate, Pune for alleged violation of and Section 7A(2)(b) of the Factories Act. The Complainant has alleged *inter alia* that arrangements in the factory for ensuring safety and absence of risks were insufficient on account of which a worker injured himself while unloading wooden planks from a vehicle. The matter is currently pending.
- (viii) Trupti Kamble, an inspector under the Factories Act ("**Complainant**") has filed a complaint against Girish Wagh, an executive director of TML, in his capacity as an occupier of a factory of TML, before the Additional Chief Judicial Magistrate, Pune for alleged violation of Section 7A(2) (b) of the Factories Act. The Complainant has alleged *inter alia* that arrangements in the factory for ensuring safety and absence of risks were insufficient on account of which a worker died. The matter is currently pending.
- (ix) Senior Labour Inspector, Dharwad ("**Complainant**") has filed a complaint against Ravi Kulkarni, an employee of TML, in his capacity as a representative of TML, and others (collectively, the "**Accused**"), before the Judicial Magistrate First Class, Dharwad ("**Authority**") for alleged violation of Section 22A of the Minimum Wages Act, 1948, for not producing the register of employees' payments to the Complainant. The Authority passed an order dated November 25, 2015, to register the case as a private complaint against the Accused and issue summons. Ravi Kulkarni has filed a petition under Section 482 of the CrPC before the High Court of Karnataka to *inter alia* quash the proceedings initiated by the Complainant. Pursuant to its order dated April 4, 2019, the High Court of Karnataka has granted a stay on the proceedings initiated by the Complainant. The matter is currently pending.
- (x) Lalji Deva Chauhan ("**Complainant**") has filed a criminal complaint ("**Complaint**") against a sales manager of TML, in his capacity as a representative of TML, and the sales manager of Cargo Motors (collectively, the "**Accused**"), before the Judicial Magistrate First Class, Mirzapur, under Sections 406 and 420 of the Indian Penal Code, 1860 ("**IPC**"). The Complainant's father had purchased a truck under the hire purchase model, from TML. However, the Complainant alleged that despite the payment of the outstanding loan amount for the truck, the same was repossessed, on account of which the Complaint has been filed. The matter is currently pending.
- (xi) Sangam Singh Rathod ("**Complainant**") has filed a criminal complaint ("**Complaint**") against late Cyrus Mistry, Ravindra Pisharody and M.S. Pradeep, ex-employees of TML, in their capacity as representatives of TML (collectively, the "**Employees**"), and employees of Moto Fab Sales Private Limited, an authorised dealer of TML (together with the Employees, the "**Accused**"), before the Judicial Magistrate, Raebareli. The Complaint has been filed under Sections 420, 467, 468, 471 and

120B of the IPC. The Complainant had purchased a truck for which the outstanding amount was financed by Tata Motors Finance Company Limited ("TMFCL"). The Complainant has alleged that the Accused cheated him and his wife since they collected the outstanding amount from them on behalf of TMFCL. The Employees have filed a petition under Section 482 of the CrPC before the High Court of Allahabad to quash the proceedings initiated by the Complainant. Pursuant to its order dated October 13, 2017, the High Court of Allahabad has granted a stay on the proceedings initiated by the Complainant. The matter is currently pending.

- (xii) The factory inspector under the Factories Act ("**Complainant**") has filed a criminal complaint against P.M. Telang and S.B. Borwankar, ex-employees of TML, in their capacity as representatives of TML (collectively the "**Accused**"), before the Judicial Magistrate First Class, Jamshedpur, under Section 88 of the Factories Act. The Complainant alleged that the Accused were responsible for leakage of chlorine gas from a town water filtration plant since the plant was run at the insistence of the Accused. The matter is currently pending.
- (xiii) Ajay Kumar Ray ("**Complainant**") has filed a criminal complaint against TML, United India Insurance Company ("**United India Insurance**") and others, before the Chief Judicial Magistrate, Dhanbad, under Sections 420, 406, 467, 468, 471 and 120B of the IPC since an insurance claim was repudiated by United India Insurance on account of it being fake. The matter is currently pending.
- (xiv) A.K. Mishra, an inspector under the Factories Act ("**Complainant**") had submitted a report against A.C. Sinha, V.M. Rawal, Abdul Rauf Khan and Abdul Rashid Khan, employees of TML, in their capacity as representatives of TML, and others (collectively the "**Accused**") before the Additional Chief Judicial Magistrate, Jamshedpur ("**Authority**"), for alleged violation of Sections 32 (A) and 33 of Factories Act read with Rule 56(b) of the Bihar Factories Rules, 1950. The Complainant has alleged *inter alia* that safe, obstruction free access to a ladder with handrails and fencing of open area had not been provided, on account of which an electrician died. Pursuant to an order dated May 22, 2000 ("**Order**"), the Authority accepted the report and initiated prosecution against the Accused. However, pursuant to an order dated January 17, 2001, the High Court of Jharkhand, quashed the matter and remitted the case back to the Authority, as the Order had been passed without application of mind. The matter is currently pending.
- (xv) The Labour Superintendent ("**Complainant**") has filed complaints against our Dilip Sengupta, an employee of TML, in his capacity as a representative of TML ("**Accused**"), before the Additional Chief Judicial Magistrate, Jamshedpur, for alleged violation of Section 10(1) of the Contract Labour (Regulation and Abolition) Act, 1970. The Complainant has alleged *inter alia* that the Accused has violated the Act since the contract labourers were employed in core activities which is prohibited under the Act. The matter is currently pending.
- (xvi) The Government of Jharkhand, through the Deputy Labour Commissioner ("**Authority**") has filed a criminal complaint against TML and others, before the Chief Judicial Magistrate, Jamshedpur, under Sections 29 of the Industrial Disputes Act, 1947 read with Rule 32 of the Industrial Disputes (Central) Rules, 1957, for alleged non-implementation of an award dated November 18, 2008 ("**Award**"), passed by the Authority in favour of an ex-employee of TML, Appa Rao. The Award ordered for reinstatement of Appa Rao and directed payment of 50% (fifty percent) of back wages from the date of his termination. Pursuant to its order dated August 24, 2023, the High Court of Jharkhand referred the matter to the National Lok Adalat. Pursuant to order dated September 9, 2023, the National Lok Adalat reverted the matter to the High Court of Jharkhand due to non-appearance of Appa Rao. The matter is currently pending.
- (xvii) Punu Tudu ("**Complainant**") has filed a criminal complaint against TML and Tata Steel Limited (collectively, the "**Accused**"), before the Additional Chief Judicial Magistrate, Jamshedpur under *inter alia* Sections 307, 323, 406, 420 and 120B of the IPC and Sections 3 and

4 of the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989. The Complainant has alleged *inter alia* that the Accused have illegally encroached the Complainant's land situated at Nildih. The matter is currently pending.

- (xviii) The State of Jharkhand through the Divisional Forest Officer ("**Complainant**") has filed a complaint against employees of TML, in their capacity as representatives of TML, before the Chief Judicial Magistrate, Jamshedpur, under Sections 41, 42 and 52 of the Indian Forest Act, 1927 ("**Act**"). The Complainant has alleged that a truck found with wood near TELCO ground, belonged to TML, in violation of the aforesaid provisions of the Act. The matter is currently pending.
- (xix) Vandana Sharma ("**Complainant**") has filed a first information report ("**FIR**") against Prashant Sharma Babhulkar, an employee of TML, in his capacity as a representative of TML ("**Accused**"), before the Amarpatan Police Station, Madhya Pradesh under Sections 279, 294, 323, 506 and 34 of the IPC. The Accused were travelling in an official car for official purposes. The Complainant has alleged *inter alia* that during their travel, the Accused collided with the Complainant's car and damaged it. The matter is currently pending.
- (xx) The Legal Metrology Inspector, Yavatmal ("**Complainant**") has filed a criminal complaint against TML and others (collectively, the "**Accused**"), before the Chief Judicial Magistrate, Yavatmal under Sections 18(1) and 36(1) of the Legal Metrology Act, 2009 read with Rule 6(2) of the Legal Metrology (Packaged Commodity) Rules, 2011. The Complainant has alleged *inter alia* that the Accused had violated the aforementioned provisions as the customer care email id and phone number were not mentioned in the packaging of genuine parts. The matter is currently pending.
- (xxi) Ranjan Paik ("**Complainant**") has filed criminal revision petitions ("**Petitions**") against TML, certain of its employees, M/s Gargo Motors and others (collectively, the "**Accused**") before the Guwahati High Court, under Section 397 of the CrPC. The Complainant had purchased two vehicles from M/s Gargo Motors which was financed from loan availed from TMF Business Services Limited (previously known as Tata Motors Finance Limited) ("**TMF**"). However, due to defaults committed by the Complainant, the said vehicles were repossessed by TMF. The Complainant had filed two complaint cases against the Accused, before the Sub-Divisional Judicial Magistrate, Dibrugarh ("**Authority**"). Pursuant to its order dated November 20, 2017 ("**Order**"), the Authority disposed the criminal complaints and discharged the Accused. Hence, the present Petitions have been filed by the Complainant against the Order. The matter is currently pending.
- (xxii) Renu Bansal ("**Complainant**") has filed a criminal complaint against TML, its vice-president and M/s OSL Automotive Private Limited (collectively, the "**Accused**") before the Judicial Magistrate First Class, Jalpaiguri, under Sections 406, 420 and 120B of the IPC. The Complainant had booked a Tata Ace XL vehicle with M/s OSL Automotive Private Limited, by paying a portion of the sale consideration. The Complainant has alleged that despite payment of the entire sale consideration, the vehicle has not been delivered to her. The matter is currently pending.
- (xxiii) Shrinathji Automobiles, Ghaziabad ("**Complainant**") has filed a first information report ("**FIR**") against ex-employees of TML, in their capacity as representatives of TML (collectively, the "**Accused**") before the Additional Chief Judicial Magistrate Court, Ghaziabad, under *inter alia* Sections 420, 465, 467, 468 and 120B of the IPC. The Complainant has alleged that the Accused cheated them by inducing them to enter into a contract basis false assurance of high returns. The Accused had filed a petition with the Allahabad High Court to quash the FIR. Pursuant to its order dated August 20, 2014 ("**Order**"), the Allahabad High Court dismissed the petition of the Accused. The Accused challenged the Order before the Supreme Court of India and pursuant to its orders dated September 19, 2014 and November 10, 2014, the Supreme Court has stayed the proceedings before the Authority. The matter is currently pending.

(xxiv) The factory inspector on 26.10.2023 issued a Show Cause Notice to our Promoters for non-compliance of certain provisions of the Factories Act, 1948 and the Delhi Factories Rules, 1950 at its TSS factory in Delhi, particularly for not having reported an accident in the premises where Mr. Joginder Singh (a contractor's employee) got seriously injured while filling the waste oil in the drum kept near the sliding gate. TML has submitted its detailed response to the notice thereby explaining that there has been no failure to report the accident; rather was accident was duly reported though with some delay due to reasons beyond control. The matter is currently pending.

(xxv) The factory inspector under the Factories Act ("**Complainant**") has filed a complaint against Ravindra Pisharody and Prasanna Choubey, ex-employees of TML, in their capacity as representatives of TML (collectively, the "**Accused**"), before the Additional Chief Judicial Magistrate, Jamshedpur, under Section 92 of the Factories Act due to death of a workman inside the premises of the factor. The matter is currently pending. The Accused have filed a petition under Section 482 of the CrPC before the High Court of Jharkhand to quash the proceedings initiated by the Complainant. Pursuant to its order dated July 17, 2014, the High Court of Jharkhand has granted a stay on the proceedings initiated by the Complainant. The matter is currently pending.

(xxvi) Gagandeep Kochar ("**Complainant**") has filed a private complaint against Himanshu Bassi, Ritesh Khare, Vivek Srivasta, employees of TML, in their capacity as representatives of TML, and others (collectively, the "**Accused**") under Sections 106, 420, 465, 467, 468, 471, 506 and 120-B of the IPC before the District Court, Ludhiana. The Complainant has alleged, *inter alia*, that the Accused have supplied a defective car to the Complainant. Certain of the Accused have filed an application under Section 482 of the CrPC before the High Court of Chandigarh to quash the proceedings initiated by the Complainant. There is a settlement agreement executed between the concerned Dealer and Mr. Kochar, as per which Mr. Kochar shall remove all the disparaging posts against TML from his social media accounts, and also withdraw the criminal complaint after TML withdraws its civil suit filed against him for defamation in a District Court of Delhi. Accordingly, we shall proceed to withdraw the civil suit on next date of hearing upon a statement by Mr. Kochar in the court to suffer the decree without paying any damages. The matter is currently pending.

(xxvii) Kamal Kumar Kakkar ("**Complainant**") has filed a criminal revision petition against the managing director of TML in his capacity as representatives of TML, the managing director of Panchkula Automobiles and others (collectively, the "**Accused**") before the Additional District and Sessions Judge, Panchkula under Section 397 of the Code of Criminal Procedure, 1973 ("**CrPC**"). The Complainant has filed the criminal revision petition for setting aside orders dated February 2, 2022, and January 1, 2023 passed by the Judicial Magistrate First Class, Panchkula wherein request for registration of first information report against the Accused was dismissed. The matter is currently pending.

(xxviii) Ajay Kumar Kushwaha ("**Complainant**") has filed a first information report against TML and certain others (collectively, "**Accused**"), before the Police Station Saini, Kaushambi, Uttar Pradesh, under Sections 419, 420, 467, 468 and 471 of the IPC alleging that the dealer sold him a second-hand car misrepresenting the facts. Further, the Complainant alleged that free accessories which had been assured to him were not given. The matter is currently pending. The Accused have filed a petition under Section 482 of the CrPC before the High Court of Allahabad to quash the proceedings initiated by the Complainant. The matter is currently pending.

Actions taken by Regulatory or Statutory Authorities

The Enforcement Directorate ("**Authority**") has issued a letter to TML dated January 18, 2019 in relation to investigation under the Foreign Exchange Management Act, 1999, for seeking clarification and information on *inter*

alia of foreign outward/ inward remittances since inception in respect of the bank accounts maintained by TML, details of imports and exports since inception and details of directors. Pursuant to letter dated January 19, 2019, TML has provided all necessary information to the Authority. There has been no further official communication from the Authority.

Disciplinary action by SEBI or Stock Exchanges in the last five financial years

(i) The SEBI issued a show cause notice dated January 4, 2019 ("**Notice**") to TML and others (collectively, the "**Notices**"), for alleged violation of Regulation 5(1), 6(a) and 6(d) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. Tata Finance Limited ("**TFL**") filed a complaint dated October 18, 2002 ("**Complaint**") before SEBI alleging instances of irregular transactions in securities in the nature of backdated and fictitious contract notes/ bills for sale and purchase of shares of Global Telesystems Limited ("**GTL**") and Global E-Commerce Services Limited ("**GECS**") by certain of the Noticees. Pursuant to the Complaint, SEBI conducted an investigation, on the basis of which the Notice was issued. The Notice alleged *inter alia* that TFL (now merged with TML), Niskalp Infrastructure Services Limited ("**Niskalp**") and the board of directors of TFL and Niskalp had (i) falsified books of accounts by backdating transactions of sale of shares of GTL and GECS in September 2000 and made reversal trades in November and December 2000, and (ii) made false representation of financial statements in the offer documents in the rights issue undertaken by TFL. Pursuant to order dated June 9, 2022 ("**Order**") SEBI disposed the Notice without imposing a penalty given the existence of mitigating factors such as passage of time, removal of all officers and remedial steps being undertaken.

(ii) TML received an e-mail from SEBI on February 16, 2018 ("**E-mail**"), in relation to the alleged leakage of unpublished financial results of TML for the quarter ended December 31, 2015, on WhatsApp messages ("**Alleged Leakage**"), requiring TML to conduct a detailed examination and to submit a report ("**Report**") to SEBI. Pursuant to the E-mail, SEBI required TML to include the following details in the Report, namely, (a) explanations on the source of and how the information was circulated prior to the public announcement, (b) chronology of events until the public announcement, and (c) confirmation from concerned persons regarding sharing of information. TML provided its response to SEBI vide its letter dated February 28, 2018. Subsequently, SEBI issued directions to TML dated March 6, 2018 ("**Directions**") in relation to the Alleged Leakage, directing TML to, *inter alia*, strengthen its internal processes to prevent such leakage of unpublished price sensitive information in the future, submit a report on its internal monitoring system and conduct an internal inquiry into the Alleged Leakage. TML submitted its responses to the Directions vide its letters dated June 7, 2018 and June 11, 2018 along with a report prepared by an external agency as required by the Directions. Subsequently, SEBI asked TML for further information pertaining to the Alleged Leakage from time to time, which was furnished by TML. Thereafter, SEBI issued an administrative warning to the compliance officer of TML on August 28, 2020 to ensure strict compliance with the SEBI PIT Regulations.

Material Civil Litigation

DTC has initiated an e arbitration proceeding against TML praying for the payment of INR151.24 crores along with an interest @18% (eighteen percent) towards the consumption of CNG by buses in excess of the KMGK ratio agreed by the parties in the contract. TML has disputed this claim being made on the basis of incorrect methodology. The matter is currently pending.

Material Tax Litigation

Commissioner, Service Tax, Mumbai II ("**Authority**") issued show cause notices dated October 16, 2009, October 22, 2010 and October 19, 2011 (collectively "**Notices**") respectively, to TML, demanding the recovery of service tax along with interest and penalty for the period between financial year 2004-2005 to financial year 2010-2011. Under the Notices, a cumulative service tax demand of INR 3,790.81 million was made and a penalty of INR 5,027.81 million was levied (collectively "**Demand**") under the Finance Act, 1994 and Service Tax Rules, 1994, accruing on account of warranty payments reimbursed to dealers by TML, authorized service station services and banking and financial services.

The claim with respect to the Notices was adjudicated by the Authority vide order dated March 26, 2013 ("Order-I") confirming the Demand and interest payable by TML. TML filed an appeal against Order-1 before the Customs Excise and Service Tax Appellate Tribunal, West Zonal Bench, Mumbai which remanded the matter to the Authority vide order dated January 8, 2019 ("Order-II"). TML preferred an appeal against Order-II before the Bombay High Court. Pursuant to an order dated September 21, 2023, the Bombay High Court has remanded the matter to the Authority. The matter is currently pending.

Tax Claims

Except as disclosed below, there are no outstanding litigations involving claims related to direct and indirect taxes involving TML.

Nature of case	Number of cases	Amount involved (in ₹ Cr)#*
Litigation involving TML		
Direct Tax	73	1,046.32
Indirect Tax	686	4,140.67

Estimated tax impact to the extent quantifiable

* Excluding Interest

- ii. Details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken against the promoters of the Company i.e., Tata Sons Private Limited

There are no pending litigations against TML that would have an adverse impact on the Scheme or its implementation.

- iii. Details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken against the directors of the Company

There are no pending litigations against our directors that would have an adverse impact on the Scheme or its implementation.

MINISTRY OF CORPORATE AFFAIRS	
ACKNOWLEDGEMENT	
SRN : F93972156	Service Request Date : 28/03/2024
Received From :	
Name :	ANJALI Nirbhay SINGH
Address :	1303 Lodha Aurum, Grandis Kanjur Marg Mumbai, Maharashtra IN - 400042
Entity on whose behalf money is paid	
CIN:	L28920MH1945PLC004520
Name :	TATA MOTORS LIMITED
Address :	Bombay House, 24 Homi Mody Street, NA Mumbai, Maharashtra India - 400001
Full Particulars of Remittance	
Service Type: eFiling	
Service Description	
Fee For Form GNL-1	
Note: The defects or incompleteness in any respect in this eForm as noticed shall be placed on the Ministry's website (www.mca.gov.in). In case the eForm is marked as RSUB or PUCL, please resubmit the eForm or file Form GNL-4(Addendum), respectively. Please track the status of your transaction at all times till it is finally disposed off. (Please refer Rule 10 of the Companies (Registration offices and Fees) Rules, 2014) It is compulsory to file Form GNL-4 (Addendum) electronically within the due date whenever the document is put under PUCL, failing which the system will treat the document as invalid and will not be taken on record in accordance with Rule 10(4) of the Companies (Registration offices and Fees) Rules, 2014	

FORM NO. GNL-1

[Pursuant to rule 12(2) of the Companies
(Registration offices and Fees) Rules, 2014]



**Form for filing an application with
Registrar of Companies**

Form language ☒ English ☐ Hindi

Note - All fields marked in * are to be mandatorily filled.

1. * Category of applicant
2. * Name of office of the registrar of Companies (RoC) to which application is being made
3. (a) Corporate identity number (CIN) or foreign company registration number (FCRN) of the company or **RUN** reference number (Service request number (SRN) of **RUN**)
- (b) Global location number (GLN) of company
4. (a) Name of the company
- (b) Address of the registered office or of the principal place of business in India of the Company
- (c) e-mail ID of the company
5. Details of applicant (in case category is others)

(a) Name	
(b) Address	Line I
	Line II
(c) City	
(d) State	
(e) ISO country code	
(f) Country	
(g) Pin code	
(h) e-mail ID	
6. * Application filed for
 - ☐ Compounding of offences
 - ☐ Extension of period of annual general meeting by three months
 - ☒ Scheme of arrangement, amalgamation
 - ☐ Others

7. If Others, then specify

8. *Details of application

A Scheme of Arrangement amongst Tata Motors Limited and its shareholders and creditors, under Section 230-232 of the Companies Act, 2013, inter alia, for reduction of capital of the Company by way of cancellation of the entire 'A' Ordinary Shares of the Company and issuance and allotment of the Ordinary Shares, which would rank pari passu with the existing Ordinary Shares in the Company, as consideration for such reduction of Capital.

9. In case of application for compounding of offences, provide the following details

(a) Whether application for compounding offence is filed in respect of

☐ Company ☐ Director ☐ Manager or Secretary or CEO or CFO ☐ Other

(b) Number of person(s) for whom the application is being filed

(c) Details of person(s) for whom the application is being filed

(i)	Category	Director identification number (DIN) or income-tax permanent account number (income-tax PAN) or passport number	Pre-fill
Name			
(ii)	Category	DIN or income-tax PAN or passport number	Pre-fill
Name			
(iii)	Category	DIN or income-tax PAN or passport number	Pre-fill
Name			
(iv)	Category	DIN or income-tax PAN or passport number	Pre-fill
Name			
(v)	Category	DIN or income-tax PAN or passport number	Pre-fill
Name			
(vi)	Category	DIN or income-tax PAN or passport number	Pre-fill
Name			
(vii)	Category	DIN or income-tax PAN or passport number	Pre-fill
Name			
(viii)	Category	DIN or income-tax PAN or passport number	Pre-fill
Name			

(d) Whether application is being filed

☐ Suo-motu ☐ In pursuance to notice received from RoC or any other competent authority

(e) Notice number and date of notice

(f) Section for which application is being filed

(g) Brief particulars as to how the default has been made good

10. In case of application is made for extension of period of an AGM, mention financial (DD/MM/YYYY)
year end date in respect of which the application is being filed

11.(a) Service request number of Form MGT-14

(b) Date of passing special or ordinary resolution (DD/MM/YYYY)

(c) Date of filing form MGT-14 (DD/MM/YYYY)

12. Total amount of stamp duty paid or stamp paper

Attachments

1. Board Resolution
2. Scheme of arrangement, amalgamation
3. * Detailed application
4. Copy of notice received from RoC or any other competent authority
5. Other attachments - if any

Attach

Attach

Attach

Attach

Attach

List of attachments

CACAA 9MB 2024 Directions Crtfd Copy.pdf

Ord 28032024 Recti Crtfd Copy.pdf

NCLT APPLICATION.pdf

CTC.pdf

Scheme of Arrangement.pdf

Remove Attachment

Verification

To the best of my knowledge and belief, the information given in this application and its attachments is correct and complete.

☒ I have been authorised by the Board of directors' resolution number dated (DD/MM/YYYY) to sign and submit this application.

☐ I am duly authorised to sign and submit this form.

To be Digitally signed by

Managing Director or director or manager or secretary or CEO or CFO (in case of an Indian company or an authorised representative (in case of a foreign company) or other)

MALLOY Digitally signed by MALLOY KUMAR GUPTA Date: 2024.03.26 21:42:59 +05'30'

Designation

Company Secretary

DIN of the director or Managing Director or; income-tax PAN of the manager or authorised representative; or CEO or CFO Membership number

24123

Certificate by practicing professional

I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/ applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that:

- i. The said records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order ;
- ii. All the required attachments have been completely and legibly attached to this form

To be digitally signed by

PREETI Digitally signed by PREETI GHYIA Date: 2024.03.26 22:04:44 +05'30'

- ☐ Chartered accountant (in whole-time practice) or ☐ Cost accountant (in whole-time practice) or ☒ Company secretary (in whole-time practice)

Whether associate or fellow

☒ Associate☐ Fellow

Membership number

10077

Certificate of practice number

6157

Note: Attention is also drawn to provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively

Modify

Check Form

Prescrutiny

Submit

For office use only:

eForm Service request number (SRN)

eForm filing date

(DD/MM/YYYY)

Digital signature of the authorising officer

This e-Form is hereby approved

This e-Form is hereby rejected

Confirm submission

Date of signing

(DD/MM/YYYY)