

Independent Auditor's Report

To the Members of Tata Motors Passenger Vehicles Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Motors Passenger Vehicles Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

Registered Office:

Independent Auditor's Report (Continued)

Tata Motors Passenger Vehicles Limited

safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related

Independent Auditor's Report (Continued)

Tata Motors Passenger Vehicles Limited

safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 01 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 30 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37(iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37(v) to the financial statements, no funds have been received by the Company from

Independent Auditor's Report (Continued)

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any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The Company has neither declared nor paid any dividend for the current year.

- f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except the recording audit trail (edit log) feature was not enabled at the database layer to log any direct data changes for the accounting softwares used for maintaining price master, variable marketing expenses and time records for product development cost.

Further, where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with. Additionally, except where audit trail (edit log) facility was not enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

Rishabh Kumar

Partner

Place: Mumbai

Membership No.: 402877

Date: 02 May 2025

ICAI UDIN:25402877BMOTWE1471

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2025 (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for inward goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in, provided guarantee or security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted unsecured loans to companies and other parties in respect of which the requisite information is as below.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided unsecured loans to companies and other parties as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2025 (Continued)

Particulars	Loans (Rs in crore)
Aggregate amount during the year	
Others - Companies	6,459.00
Others - Employees	6.30
Balance outstanding as at balance sheet date	
Others - Employees	20.00

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided any guarantee or security or granted any advances in nature of loan to any party during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan of Rs. 6,459 crores given to Tata Motors Limited which was repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan as reported in para iii (c) above. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there is no overdue amount for more than ninety days in respect of loans given. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Promoters (Rs in crore)	Related Parties*
Aggregate of loans		
- Repayable on demand (A)	6,459.00	-
- Agreement does not specify any terms or period of Repayment (B)	-	

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2025 (Continued)

	Promoters (Rs in crore)	Related Parties*
Total (A+B)	6,459.00	-
Percentage of loans to the total loans	100%	-

* Promoter and Related party as defined in Clause (76) of Section 2 of the Companies Act, 2013 is same.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor provided guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of loans given by the Company, in our opinion the provisions of Section 185 and Section 186 of the Act have been complied with.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has complied with the provisions of Sections 73 to 76 or other relevant provisions of the Act and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits or amounts which are deemed to be deposits. As informed to us, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2025 (Continued)

Name of the statute	Nature of the dues	Amount (Rs in crore)	Period to which the amount relates	Amount paid under protest	Forum where dispute is pending	Remarks, if any
Employees State Insurance Act, 1948	ESI Contribution	0.01	2023	Nil	ESI court	
Employee Provident Fund	Provident Fund, Pension Funds, Insurance Funds Contributions and administrative charges towards Provident Fund and Insurance Fund	4.52	April 2019 to March 2021	2.26	High Court	
Customs Act, 1962	Duty of Customs	26.65	March 2022 to June 2023	0.77	Commissioner of Customs	
Property Tax	Property tax on vacant land	3.73	2001 to 2025	Nil	Civil Judge, Sr. Division Pune	
Property Tax	Property tax (differential rate)	36.05	2001 to 2025	Nil	Bombay High Court	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly,

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2025 (Continued)

- clause 3(ix)(c) of the Order is not applicable
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, as at 31 March 2025 we report that the funds raised on short term basis of Rs 2,402 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 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 joint venture 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 joint venture (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.
 - (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 fraud by the Company or on the Company has been noticed or reported during the year.
 - (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 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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2025 (Continued)

- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs 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, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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

Rishabh Kumar

Partner

Place: Mumbai

Membership No.: 402877

Date: 02 May 2025

ICAI UDIN:25402877BMOTWE1471

Annexure B to the Independent Auditor's Report on the financial statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Tata Motors Passenger Vehicles Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

**Annexure B to the Independent Auditor's Report on the financial statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2025
(Continued)**

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

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

Rishabh Kumar

Partner

Place: Mumbai

Membership No.: 402877

Date: 02 May 2025

ICAI UDIN:25402877BMOTWE1471

TATA MOTORS PASSENGER VEHICLES LIMITED
Balance Sheet

		Notes	As at March 31, 2025	As at March 31, 2024
(₹ in crores)				
I. ASSETS				
(1) NON-CURRENT ASSETS				
(a)	Property, plant and equipment	3 (b)	6,377	6,151
(b)	Capital work-in-progress	3 (c)	763	627
(c)	Right of use assets	4 (b)	856	760
(d)	Other intangible assets	5 (b)	3,018	3,051
(e)	Intangible assets under development	5 (c)	1,010	848
(f)	Financial assets:			
(i)	Investment in joint venture	6 (a)	127	-
(ii)	Loans	7 (a)	15	15
(iii)	Other financial assets	8 (a)	192	124
(g)	Non-current tax assets (net)		447	284
(h)	Other non-current assets	9 (a)	303	209
			13,108	12,069
(2) CURRENT ASSETS				
(a)	Inventories	10 (b)	2,061	2,058
(b)	Financial assets:			
(i)	Investments	6 (b)	2,234	33
(ii)	Trade receivables	11	138	398
(iii)	Cash and cash equivalents	13	413	119
(iv)	Bank balances other than (iii) above	14	2,095	25
(v)	Loans	7 (b)	5	3,648
(vi)	Other financial assets	8 (b)	116	60
(c)	Other current assets	9 (b)	285	339
			7,347	6,680
			20,455	18,749
II. EQUITY AND LIABILITIES				
EQUITY				
(a)	Equity share capital	15	9,417	9,417
(b)	Other equity		(777)	(1,056)
			8,640	8,361
LIABILITIES				
(1) NON-CURRENT LIABILITIES				
(a)	Financial liabilities:			
(i)	Borrowings	17 (a)	256	233
(ii)	Lease liabilities		711	654
(iii)	Other financial liabilities	19 (a)	7	55
(b)	Provisions	20 (b)	367	289
(c)	Deferred tax liabilities (net)	21	325	160
(d)	Other non-current liabilities	22 (a)	401	395
			2,067	1,786
(2) CURRENT LIABILITIES				
(a)	Financial liabilities:			
(i)	Borrowings	17 (b)	540	-
(ii)	Lease liabilities		189	141
(iii)	Trade payables	18		
(a)	Total outstanding dues of micro and small enterprises		48	36
(b)	Total outstanding dues of creditors other than micro and small enterprises		6,817	5,205
(c)	Acceptances		431	1,592
(iv)	Other financial liabilities	19 (b)	502	611
(b)	Provisions	20 (c)	334	188
(c)	Other current liabilities	22 (b)	887	829
			9,748	8,602
			20,455	18,749

See accompanying notes to financial statements
In terms of our report attached

For and on behalf of the Board

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

P B BALAJI [DIN: 02762983]
Director

SHAILESH CHANDRA [DIN: 07593905]
MD & Chief Executive Officer

RISHABH KUMAR
Partner
Membership No.402877

ANINDYA PAUL
Chief Financial Officer

ANJALI SINGH [ACS: A26664]
Company Secretary

Place- Mumbai
Date: May 2, 2025

Place- Mumbai
Date: May 2, 2025

TATA MOTORS PASSENGER VEHICLES LIMITED
Statement of Profit and Loss

		(₹ in crores)	
	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations			
(a) Revenue		48,825	50,877
(b) Other operating revenue		144	104
I. Total revenue from operations	23	48,969	50,981
II. Other income	24	315	225
III. Total income (I+II)		49,284	51,206
IV. Expenses:			
(a) Cost of materials consumed		24,799	28,959
(b) Purchases of products for sale		15,634	12,818
(c) Changes in inventories of finished goods, work-in-progress and products for sale		(21)	91
(d) Employee benefits expense	25	1,574	1,452
(e) Finance costs	26	158	237
(f) Foreign exchange loss (net)		25	2
(g) Depreciation and amortisation expense		2,321	1,967
(h) Product development/engineering expenses		884	862
(i) Other expenses	27	3,467	3,485
(j) Amount transferred to capital and other account	28	(302)	(238)
Total expenses (IV)		48,539	49,635
V. Profit before exceptional items and tax (III-IV)		745	1,571
VI. Exceptional items-loss/(gain) (net)	29	27	(1)
VII. Profit before tax (V-VI)		718	1,572
VIII. Tax expense (net):			
(a) Current tax		-	1
(b) Deferred tax		164	167
Total tax expense (net)		164	168
IX. Profit for the year (VII-VIII)		554	1,404
X. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit or loss:			
Remeasurement gain/(losses) on defined benefit obligations (net)		3	(24)
(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		(1)	6
(B) (i) Items that will be reclassified to profit and loss - losses in cash flow hedges		(0)	(2)
(ii) Income tax credit relating to items that will be reclassified to profit or loss		0	0
Total other comprehensive gain/(loss) for the year (net of tax)		2	(20)
XI. Total comprehensive income for the year (IX+X)		556	1,384
XII. Earnings per equity share (EPS)			
Ordinary shares (face value of ₹10 each):	31		
(i) Basic EPS		₹ 0.59	1.49
(ii) Diluted EPS		₹ 0.59	1.49

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

P B BALAJI [DIN: 02762983]
Director

SHAILESH CHANDRA [DIN: 07593905]
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RISHABH KUMAR
Partner
Membership No.402877

ANINDYA PAUL
Chief Financial Officer

ANJALI SINGH [ACS: A26664]
Company Secretary

Place- Mumbai
Date: May 2, 2025

Place- Mumbai
Date: May 2, 2025

TATA MOTORS PASSENGER VEHICLES LIMITED
Statement of Cash Flow

	Year ended March 31, 2025	Year ended March 31, 2024
(₹ in crores)		
Cash flows from operating activities:		
Profit for the year	554	1,404
Adjustments for:		
Depreciation and amortisation expense	2,321	1,967
Allowance for trade and other receivables	2	11
Discounting of warranty and other provisions	13	(9)
Lease charges (amortisation considered as employee cost)	28	22
Non cash exceptional items-loss/(gain) (net)	26	(1)
Inventory write down	7	20
Loss on sale of assets (net) (including assets scrapped / written off)	2	11
Profit on sale of investments measured at FVTPL	(41)	(1)
Marked-to-market gain on investments measured at FVTPL	(8)	-
Tax expense (net)	164	168
Finance costs	158	237
Interest income	(266)	(224)
Unrealized foreign exchange (gain)/loss (net)	2	(7)
	2,408	2,194
Cash flows from operating activities before changes in following assets and liabilities	2,962	3,598
Trade receivables	261	50
Loans and other financial assets	(112)	(42)
Other current and non-current assets	26	(12)
Inventories	(11)	261
Trade payables	463	(283)
Other current and non-current liabilities	78	(39)
Other financial liabilities	(11)	(21)
Provisions	137	50
Cash generated from operations	3,793	3,562
Income tax paid (net)	(163)	(202)
Net cash generated from operating activities	3,630	3,360
Cash flows used in investing activities:		
Payments for property, plant and equipments	(1,545)	(1,404)
Payments for other intangible assets	(1,274)	(1,144)
Proceeds from sale of property, plant and equipments	13	5
Investments in a joint venture	(150)	-
Investments in mutual fund (net)	(2,185)	1
Redemption of government securities	35	10
Investment in government securities	-	(42)
Decrease/(increase) in inter corporate deposit	3,643	(908)
Increase in deposit/restricted deposits with banks	(2,071)	(25)
Interest received	238	224
Net cash used in investing activities	(3,296)	(3,283)
Cash flows used in financing activities:		
Net change in short-term borrowings (with maturity up to three months)	540	-
Dividend paid	(254)	(151)
Repayment of lease liabilities (including interest)	(242)	(194)
Interest paid (including discounting charges, ₹51 crores (March 31, 2024 ₹137 crores)	(84)	(154)
Net cash used in financing activities	(40)	(499)
Net (decrease)/increase in cash and cash equivalents	294	(422)
Cash and cash equivalents as at April 1, (opening balance)	119	541
Cash and cash equivalents as at March 31, (closing balance)	413	119
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit	447	545

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

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Chief Financial Officer

ANJALI SINGH [ACS: A26664]
Company Secretary

Place- Mumbai
Date: May 2, 2025

Place- Mumbai
Date: May 2, 2025

TATA MOTORS PASSENGER VEHICLES LIMITED
Statement of Changes in Equity for the year ended March 31, 2025

A. Equity Share Capital

Particulars	(₹ in crores)
Balance as at April 1, 2024	9,417
Balance as at March 31, 2025	9,417
Balance as at April 1, 2023	9,417
Balance as at March 31, 2024	9,417

B. Other Equity

	(₹ in crores)					
	Capital Reserve	Merger Deficit adjustment account	Retained earnings	Other components of equity		Total other equity
				Hedging Reserve	Cost of hedging reserve	
Balance as at April 1, 2024	90	(2,697)	1,551	(0)	(0)	(1,056)
Purchase of stake in a joint venture	(23)	-	-	-	-	(23)
Profit for the year	-	-	554	-	-	554
Remeasurement gain on defined benefit obligations (net)	-	-	2	-	-	2
Losses in cash flow hedges	-	-	-	(0)	0	(0)
Total comprehensive income/(loss) for the year	(23)	-	556	(0)	0	533
Dividend paid [refer note 15(e)]	-	-	(254)	-	-	(254)
Balance as at March 31, 2025	67	(2,697)	1,853	(0)	(0)	(777)
Balance as at April 1, 2023	90	(2,697)	316	2	(1)	(2,290)
Profit for the year	-	-	1,404	-	-	1,404
Remeasurement losses on defined benefit obligations (net)	-	-	(18)	-	-	(18)
Losses in cash flow hedges	-	-	-	(2)	1	(2)
Total comprehensive income/(loss) for the year	-	-	1,386	(2)	1	1,384
Dividend paid [refer note 15(e)]	-	-	(151)	-	-	(151)
Balance as at March 31, 2024	90	(2,697)	1,551	(0)	(0)	(1,056)

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

P B BALAJI [DIN: 02762983]
 Director

SHAILESH CHANDRA [DIN: 07593905]
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RISHABH KUMAR
 Partner
 Membership No.402877

ANINDYA PAUL
 Chief Financial Officer

ANJALI SINGH [ACS: A26664]
 Company Secretary

Place- Mumbai
 Date: May 2, 2025

Place- Mumbai
 Date: May 2, 2025

TATA MOTORS PASSENGER VEHICLES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Background and operations

Tata Motors Passenger Vehicles Limited referred to as "the Company or TMPVL", designs, manufactures and sells a wide range of automotive vehicles.

The Company is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. As at March 31, 2025, TMPVL is a wholly owned subsidiary of Tata Motors Limited (TML). TML directly holds 100% equity interest in TMPVL.

The standalone financial statements were approved by the Board of Directors and authorised for issue on May 2, 2025.

2 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act") as amended from time to time and based on requirement of Division II of schedule III of the companies act 2013.

(b) Basis of preparation

The financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period as explained in the accounting policies below. These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

All amounts have been rounded to the nearest crores, unless otherwise indicated. "0" refers to amounts less than ₹ 0.50 crore.

(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.

(i) 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 21 - Recoverability/recognition of deferred tax liabilities
- iii) Note 20 - Provision for product warranty
- iv) Note 25(b) - Assets and obligations relating to employee benefits

(ii) Judgements

Revenue recognition: The Company uses judgement to determine when control of its goods, primarily vehicles and parts pass to the customer. This is assessed with reference to indicators of control, including the risks and rewards of ownership, legal title with reference to the underlying terms of the customer contract and when there are no longer any unfulfilled obligation. Refer to note 23 for further information.

Capitalisation of product engineering costs: The Company applies judgement in determining at what point in a vehicle programme's life cycle the recognition criteria under IAS 38 are satisfied, and in determining the nature of the cost capitalised. Refer to note 5 for further information.

(d) Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure are capitalized where appropriate, in accordance with the policy for internally generated intangible assets and represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction and product development undertaken by the Company.

Material and other cost of sales as reported in the statement of profit and loss is presented net of the impact of realised foreign exchange relating to derivatives hedging cost exposures.

(e) Foreign currency

These financial statements are presented in Indian rupees, which is the functional currency of TMPVL.

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 and loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

(f) Segments

The Company primarily operates in the automotive segment that consists of dealing with of all types of passenger vehicles.

(g) Going concern

The Company's financial statements have been prepared on a going concern basis.

The Company has performed an assessment of its financial position as at March 31, 2025 and forecasts of the Company for a period of eighteen months from the date of these financial statements (the 'Going Concern Assessment Period' and the 'Foreseeable Future').

In developing these forecasts, the Company has modelled a base case, which has been further sensitised using severe but plausible downside scenarios. It also accounts for other end-market and operational factors throughout the Going Concern Assessment Period. This has been further sensitized using more severe but plausible scenarios considering external market commentaries and other factors impacting the global economy and automotive industry. Management do not consider more extreme scenarios than the ones assessed to be plausible.

In evaluating the forecasts, the Company has taken into consideration both the sufficiency of liquidity to meet obligations as they fall due as well as potential impact on compliance with financial covenants during the forecast period. These forecasts indicate that, based on cash generated from operations, the existing funding facilities, the Company will have sufficient liquidity to operate and discharge its liabilities as they become due, without breaching any relevant covenants and the need for any mitigating actions.

Based on the evaluation described above, management believes that the Company has sufficient financial resources available to it at the date of approval of these financial statements and that it will be able to continue as a 'going concern' in the foreseeable future and for a period up to September 30, 2026.

(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.

TATA MOTORS PASSENGER VEHICLES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

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.

(h) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 - Leases, relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there will be no significant impact on its 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 is capitalised up to the date the asset is ready for its intended use for qualifying assets, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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

Estimated useful lives of assets are as follows:

Type of Asset	Estimated useful life (years)
Buildings, Roads 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 equipments	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.

TATA MOTORS PASSENGER VEHICLES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

3 (b) Property, plant and equipment

	Owned assets						Given on lease	(₹ in crores)
	Land	Buildings	Plant, machinery and equipment	Furniture and fixtures and office Equipments	Vehicles	Computers & other IT assets	Buildings	Total
Cost as at April 1, 2024	787	874	14,672	58	38	119	3	16,551
Additions	-	27	1,181	9	7	30	-	1,254
Disposal/Adjustments	-	(1)	(316)	(0)	(1)	-	-	(318)
Cost as at March 31, 2025	787	900	15,537	67	44	149	3	17,487
Accumulated depreciation as at April 1, 2024	-	(414)	(9,848)	(38)	(19)	(80)	(1)	(10,400)
Depreciation for the year	-	(27)	(889)	(5)	(6)	(12)	(0)	(939)
Disposal/Adjustments	-	1	227	0	1	-	-	229
Accumulated depreciation as at March 31, 2025	-	(440)	(10,510)	(43)	(24)	(92)	(1)	(11,110)
Net carrying amount as at March 31, 2025	787	460	5,027	24	20	57	2	6,377
Cost as at April 1, 2023	787	844	13,654	57	28	101	-	15,471
Additions	-	30	1,110	1	13	18	3	1,175
Disposal/Adjustments	-	-	(92)	-	(3)	(0)	-	(95)
Cost as at March 31, 2024	787	874	14,672	58	38	119	3	16,551
Accumulated depreciation as at April 1, 2023	-	(385)	(9,103)	(35)	(15)	(71)	-	(9,609)
Depreciation for the year	-	(29)	(832)	(3)	(5)	(9)	(1)	(879)
Disposal/Adjustments	-	-	87	-	1	0	-	88
Accumulated depreciation as at March 31, 2024	-	(414)	(9,848)	(38)	(19)	(80)	(1)	(10,400)
Net carrying amount as at March 31, 2024	787	460	4,824	20	19	39	2	6,151

(c) Capital Work-in-Progress

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning	627	251
Additions	1,390	1,551
Capitalised during the year	(1,254)	(1,175)
Balance at the end	763	627

TATA MOTORS PASSENGER VEHICLES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(d) Ageing of Capital work-in-progress

(₹ in crores)						
	As at March 31, 2025				Total	
	Up to 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	654	108	1	0	763	
Projects temporarily suspended	-	-	-	-	-	
As at March 31, 2025	654	108	1	0	763	

(₹ in crores)						
	As at March 31, 2024				Total	
	Up to 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	615	12	-	0	627	
Projects temporarily suspended	-	-	-	-	-	
As at March 31, 2024	615	12	-	0	627	

(e) Expected Completion schedule of Capital work-in-progress where cost or time overrun has exceeded original plan

(₹ in crores)					
	As at March 31, 2025				
	To be completed				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Project 1	95	-	-	-	95
Project 2	100	-	-	-	100
Other Projects*	4	-	-	-	4
	199	-	-	-	199

	As at March 31, 2024				
	To be completed				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Project 1	59	-	-	-	59
Other Projects*	17	-	-	-	17
	76	-	-	-	76

*Individual projects less than ₹ 50 crores have been clubbed together in other projects.

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

TATA MOTORS PASSENGER VEHICLES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

4. Leases

(a) Accounting policy

Lessee:

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

- The contract involves the use of an identified asset –this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive 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, accounting standards permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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

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

Lease payments include fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Company also recognises a right of use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs.

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

Lessor:

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

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

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

- (b) The Company leases a number of buildings, plant and equipment, IT hardware and software assets, certain of which have a renewal and/or purchase option in the normal course of the business. Extension and termination options are included in a number of leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Company re-assesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control. It is recognised that there is potential for lease term assumptions to change in the future and this will continue to be monitored by the Company where relevant. The Company's leases mature between 2026 and 2034. The weighted average rate applied is **8.29%** (2024: 8.30%).

The following amounts are included in the Balance Sheet :

	(₹ in crores)	
	As at, March 31, 2025	As at, March 31, 2024
Current lease liabilities	189	141
Non-current lease liabilities	711	654
Total lease liabilities	900	795

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

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on lease liabilities	76	69
Expenses related to short-term leases	0	0
Expenses related to low-value assets, excluding short-term leases of low-value assets	3	7

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	(₹ in crores)					
Right of use assets	Land	Buildings	Plant, machinery and equipments	Vehicles	Computers and other IT assets	Total
Cost as at April 1, 2024	30	232	774	105	(0)	1,141
Additions	-	108	131	41	0	280
Disposals/adjustments	-	(9)	-	(18)	-	(27)
Cost as at March 31, 2025	30	331	905	128	(0)	1,394
Accumulated amortisation as at April 1, 2024	(2)	(62)	(279)	(38)	0	(381)
Amortisation for the year	(1)	(48)	(101)	-	(0)	(150)
Amortisation - considered as employee cost	-	-	-	(28)	-	(28)
Disposal/adjustments	-	9	-	12	-	21
Accumulated amortisation as at March 31, 2025	(3)	(101)	(380)	(54)	(0)	(538)
Net carrying amount as at March 31, 2025	27	230	525	74	(0)	856
Cost as at April 1, 2023	30	105	825	77	3	1,040
Additions	-	138	21	41	-	200
Disposals/adjustments	-	(11)	(72)	(13)	(3)	(99)
Cost as at March 31, 2024	30	232	774	105	(0)	1,141
Accumulated amortisation as at April 1, 2023	(2)	(35)	(261)	(25)	(1)	(324)
Amortisation for the year	(0)	(31)	(87)	-	0	(118)
Amortisation - considered as employee cost	-	-	-	(22)	-	(22)
Disposal/adjustments	-	4	69	9	1	83
Accumulated amortisation as at March 31, 2024	(2)	(62)	(279)	(38)	0	(381)
Net carrying amount as at March 31, 2024	28	170	495	67	(0)	760

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(c) There are certain plant and machinery which are being given to the customers along with operations and maintenance of the same. These are accounted as finance lease as the material risks and rewards are transferred to the lessee. The lease agreement has been extended till March 31, 2029.

The average effective interest rate contracted approximates between **16.99%** (2024: 19.17%) per annum.

The following amounts are included in the Balance Sheet :

	As at, March 31, 2025	As at, March 31, 2024
Current lease receivables	11	7
Non-current lease receivables	139	80
Total lease receivables	150	87

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

	Year ended March 31, 2025	Year ended March 31, 2024
Finance income on the net investment in finance leases	27	11

Note – For repayment of lease liabilities during the year please refer note 17 (a) (iv)

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

	As at March 31, 2025					Total contractual cash flows
	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due beyond 5th Year		
Total undiscounted lease receivable	37	35	169	-	-	241
Less :Unearned finance income	26	24	41	-	-	91
Net investment in lease	11	11	128	-	-	150

	As at March 31, 2024					Total contractual cash flows
	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due beyond 5th Year		
Total undiscounted lease receivable	23	22	57	56	-	158
Less :Unearned finance income	17	15	39	-	-	71
Net investment in lease	6	7	18	56	-	87

5. Other Intangible assets

(a) Accounting policy

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

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

	Estimated amortisation period
Software	4 years
Product 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.

5 (b) Other Intangible assets

	(₹ in crores)		
	Computer Software	Product development	Total
Cost as at April 1, 2024	248	8,526	8,774
Additions	90	1,110	1,200
Asset fully amortised not in use	(6)	-	(6)
Cost as at March 31, 2025	332	9,636	9,968
Accumulated amortisation as at April 1, 2024	(107)	(5,616)	(5,723)
Amortisation for the year	(54)	(1,178)	(1,232)
Asset fully amortised not in use	5	-	5
Accumulated amortisation as at March 31, 2025	(156)	(6,794)	(6,950)
Net carrying amount as at March 31, 2025	176	2,842	3,018
Cost as at April 1, 2023	139	7,831	7,970
Additions	109	695	804
Cost as at March 31, 2024	248	8,526	8,774
Accumulated amortisation as at April 1, 2023	(88)	(4,665)	(4,753)
Amortisation for the year	(19)	(951)	(970)
Accumulated amortisation as at March 31, 2024	(107)	(5,616)	(5,723)
Net carrying amount as at March 31, 2024	141	2,910	3,051

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(c) Intangible assets under development

	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning	848	503
Additions during the year	1,362	1,149
Capitalised during the year	(1,200)	(804)
Balance at the end	1,010	848

(d) Ageing of intangible assets under development

	As at March 31, 2025					Total
	Up to 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	762	215	29	4	1,010	
Projects temporarily suspended					-	
As at March 31, 2025	762	215	29	4	1,010	

	As at March 31, 2024					Total
	Up to 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	648	177	19	4	848	
Projects temporarily suspended	-	-	-	-	-	
As at March 31, 2024	648	177	19	4	848	

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

	As at March 31, 2025					Total
	Up to 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress						
Project 1	295	-	-	-	295	
Project 2	96	-	-	-	96	
Other Projects*	5	-	-	-	5	
	396	-	-	-	396	

	As at March 31, 2024					Total
	Up to 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress						
Project 1	-	-	-	-	-	
Other Projects*	104	-	-	-	104	
	104	-	-	-	104	

*Individual projects less than ₹ 50 crores have been clubbed together in other projects.

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

TATA MOTORS PASSENGER VEHICLES LIMITED
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6 (a) Investments in joint ventures - non-current

i. 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 recognized in the statement of profit and loss.

ii. Investments in joint ventures consist of following:

Number of shares	Face value per unit (Fully paid up)	Description	(₹ in crores)	
			As at March 31, 2025	As at March 31, 2024
Joint Venture (JV) (unquoted)				
53,959,549	INR	Tata Motors Global Services Limited (formerly TML Business Services Limited) (Share purchased during the year) (refer note below)	127	-
Total			127	-

Note:

Joint venture agreement is yet to be signed between the Company and Tata Motors Ltd (parent Company) as at March 31, 2025.

6 (b) Investments-current-Quoted

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
Investments measured at Fair value through profit and loss			
Mutual funds		2,234	-
Investments measured at amortised cost			
Treasury bills		-	33
Total		2,234	33

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
(i)	Book Value of quoted investments	2,234	33
(ii)	Market Value of quoted investments	2,234	33

7 (a) Loans-Non-current

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
Unsecured:			
(a)	Loans to employees, considered good	15	15
(b)	Others		
	Credit impaired	9	9
	Less: Allowances for credit impaired balances	(9)	-
Total		15	15

7 (b) Loans -current

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
Unsecured:			
(a)	Loans to employees, considered good	5	5
(b)	Intercompany deposits, considered good	-	3,643
Total		5	3,648

8 (a) Other financial assets - non current

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
(a)	Finance Lease receivables (refer note 4 (c))	139	80
(b)	Recoverable from suppliers	30	21
(c)	Security deposits	23	23
Total		192	124

8 (b) Other financial assets - current

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
(a)	Advances and other receivables (net of allowances for credit impaired balances of ₹1 crore and ₹1 crore as at March 31, 2025 and 2024, respectively)	6	4
(b)	Derivative financial instruments	11	20
(c)	Interest accrued on deposits	22	0
(d)	Finance Lease receivables (refer note 4 (c))	11	7
(e)	Recoverable from suppliers	66	29
(f)	Security deposits	0	0
Total		116	60

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9 (a) Other non-current assets

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
(a) Capital advances	231	150
(b) Taxes recoverable, statutory deposits and dues from government	55	38
(c) Prepaid Expenses	9	11
(d) Employee benefit obligation	8	10
Total	303	209

9 (b) Other current assets

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
(a) Advance to suppliers and contractors (net of allowances for credit impaired balances of ₹12 crores and ₹10 crores as at March 31, 2025 and 2024, respectively)	36	26
(b) Taxes recoverable, statutory deposits and dues from government (net of allowances for credit impaired balances of ₹1 crore and ₹0 crore as at March 31, 2025 and 2024, respectively)	141	202
(c) Prepaid expenses	108	111
Total	285	339

10 Inventories

(a) Accounting policy

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

(b) Inventories consist of the following:

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
(a) Raw materials and components	607	758
(b) Work-in-progress	138	167
(c) Finished goods	695	645
(d) Stores and spare parts	130	116
(e) Consumable tools	10	13
(f) Goods-in-transit-Raw materials, components and stock in trade	481	359
Total	2,061	2,058

During year ended March 31, 2025 and 2024, the Company recorded inventory write-down expenses of ₹ 7 crores and ₹ 20 crores, in the statement of profit and loss respectively. Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2025 and 2024 amounted to ₹ 45,751 crores and ₹ 46,728 crores, respectively.

11 Trade receivables (Unsecured)

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
Receivables considered good	138	398
Credit impaired receivables	30	32
	168	430
Less : Allowance for credit impaired receivables	(30)	(32)
Total	138	398

12 Allowance for trade receivables, loans and other receivables

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
Balance at the beginning	53	104
Allowances made during the year	2	11
Written off	(2)	(62)
Balance at the end	53	53

13 Cash and cash equivalents

(a) Accounting policy

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

(b) Cash and cash equivalents consist of the following:

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
(a) Cheques on hand	4	18
(b) Balances with banks	34	101
(c) Deposits with banks	375	-
Total	413	119

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14 Other bank balances

	As at March 31, 2025	As at March 31, 2024
(₹ in crores)		
With upto 12 months maturity:		
Earmarked balances with banks (refer note below)	0	0
Bank Deposits	2,095	25
Total	2,095	25

Note :

Earmarked balances with banks is held as restricted fixed deposit in relation to State Consumer Disputes Redressal Commission.

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15 Equity Share Capital

		(₹ in crores)			
		As at March 31, 2025	As at March 31, 2024		
(a) Authorised:					
20,00,00,00,000 Ordinary shares of ₹10 each		20,000	20,000		
(as at March 31, 2024: 20,00,00,00,000 Ordinary shares of ₹10 each)					
Total		20,000	20,000		
(b) Issued:					
9,417,150,000 Ordinary shares of ₹10 each		9,417	9,417		
(as at March 31, 2024: 9,417,150,000 Ordinary shares of ₹10 each)					
Total		9,417	9,417		
(c) Subscribed and paid up:					
9,417,150,000 Ordinary shares of ₹10 each		9,417	9,417		
(as at March 31, 2024: 9,417,150,000 Ordinary shares of ₹10 each)					
Total		9,417	9,417		
(d) The movement of number of shares and share capital					
		Year ended March 31, 2025		Year ended March 31, 2024	
		(Number of shares)		(Number of shares)	
		(₹ in crores)		(₹ in crores)	
Ordinary shares					
Balance as at April 1		9,417,150,000	9,417	9,417,150,000	9,417
Balance as at March 31		9,417,150,000	9,417	9,417,150,000	9,417

(e) During the year ended March 31, 2025 Tata Motors Ltd the parent company, purchased 1,50,000 shares from Tata Motors Global Services Limited (Formerly known as TML Business Services Ltd), a fellow subsidiary company.

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

		As at March 31,			
		2025		2024	
		No. of Shares	₹ in crores	No. of Shares	₹ in crores
(i) Ordinary shares:					
Tata Motors Limited		9,417,150,000	9,417	9,417,000,000	9,417

(g) 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.

(h) Disclosure of Shareholding of Promoters

		As at March 31,			
		2025		2024	
		No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
Ordinary shares:					
Tata Motors Global Business Service Limited (formerly know as TML Business Services Limited)		-	-	1,50,000	*
Tata Motors Limited		9,417,150,000	100%	9,417,000,000	100%

* Less than 0.01%

16. A) Other components of equity

(a) The movement of Hedging reserve is as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning	(0)	2
Gain/(loss) recognised on cash flow hedges	(1)	(0)
Income tax relating to gain/(loss) recognised on cash flow hedges	0	0
Loss/(gain) reclassified to profit or loss	1	(3)
Income tax relating to Gain/(loss) reclassified to profit or loss	(0)	1
Balance at the end	(0)	(0)

(b) The movement of Cost of Hedging reserve is as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning	(0)	(1)
Gain/(loss) recognised on cash flow hedges	(0)	(1)
Income tax relating to gain/(loss) recognised on cash flow hedges	0	1
Gain reclassified to profit or loss	0	2
Income tax relating to loss reclassified to profit and loss	(0)	(1)
Balance at the end	(0)	(0)

(c) Summary of Other components of equity:

	Year ended March 31, 2025	Year ended March 31, 2024
Hedging reserve	(0)	(0)
Cost of hedging reserve	(0)	(1)
Total	(0)	(1)

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B) Notes to reserves

a) Capital reserve

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid/received or vice versa in a common control sale/transfer of business/investment.

b) Retained earnings

Retained earnings are the profits that the Company has earned till date, add/(less) any transfers from/(to) general reserve, securities premium and debenture redemption reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement gain/(loss) on defined benefit obligations, net of taxes that will not be reclassified to statement of profit and loss.

c) Dividends

Any dividend declared by TMPVL is based on the profits available for distribution as reported in the statutory financial statements of TMPVL 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 TMPVL 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, 2025, the Board of Directors has not recommended any dividend.

The Company has paid a final dividend of ₹ 0.27 per share on Ordinary shares totalling to ₹ 254 crores for the year ended March 31, 2024

17 (a) Long-term borrowings

	As at March 31, 2025	As at March 31, 2024
(₹ in crores)		
Secured:		
Term loans:		
Government loan (refer note (i) below)	256	233
Total	256	233

17 (b) Short-term borrowings

	As at March 31, 2025	As at March 31, 2024
(₹ in crores)		
Secured:		
Working capital loan from bank	540	-
Total	540	-

I. Information regarding long-term borrowings

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

The term loan of ₹ 587 crores (recorded in books at ₹ 256 crores) is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2039, along with simple interest at the rate of 0.10% p.a. The loan is secured by a second and subservient charge over Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand plant in the State of Gujarat.

II. Information regarding Short-term borrowings

Buyer's line of credit are availed as per requirement of Company at the interests mutually agreed at the time of drawing the facility with interest rate varying from 6.30% - 9.00%.

III. Collaterals against borrowings

	As at March 31, 2025	As at March 31, 2024
(₹ in crores)		
Assets pledged as collateral/security against borrowings		
Current assets including inventories, receivables and books debts	540	-
Land, Property, plant and equipment	587	-
Total	1,127	-

Note : There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

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

	Lease liabilities	Long-term borrowings	Short-term borrowings	Total
(₹ in crores)				
Balance at March 31, 2024	795	233	-	1,028
Issue of new leases	277	-	540	817
Repayment of financing	(242)	-	-	(242)
Interest accrued	76	-	-	76
Lease terminations	(6)	-	-	(6)
Amortisation / EIR adjustments of prepaid borrowings (net)/other adjustments	-	23	-	23
Balance at March 31, 2025	900	256	540	1,696
Balance at March 31, 2023	736	214	-	950
Issue of new leases	198	-	-	198
Repayment of financing	(194)	-	-	(194)
Interest accrued	69	-	-	69
Foreign exchange	(1)	-	-	(1)
Lease terminations	(13)	-	-	(13)
Amortisation / EIR adjustments of prepaid borrowings (net)/other adjustments	-	19	-	19
Balance at March 31, 2024	795	233	-	1,028

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18 Trade payables

	As at March 31, 2025					(₹ in crores)
	Not due	Overdue				Total
		Up to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises						
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	47	1	0	0	0	48
Total	47	1	0	0	0	48
Outstanding dues other than micro and small enterprises						
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	5,168	1,617	25	7	-	6,817
Total	5,168	1,617	25	7	-	6,817
Acceptances						
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	431	-	-	-	-	431
Total	431	-	-	-	-	431
Balance as at March 31, 2025	5,646	1,618	25	7	0	7,296

	As at March 31, 2024					
	Not due	Overdue				Total
		Up to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises						
Undisputed dues	32	2	2	0	0	36
Total	32	2	2	0	0	36
Outstanding dues other than micro and small enterprises						
Undisputed dues	4,243	875	31	56	0	5,205
Total	4,243	875	31	56	0	5,205
Acceptances						
Undisputed dues	1,592	-	-	-	-	1,592
Total	1,592	-	-	-	-	1,592
Balance as at March 31, 2024	5,867	877	33	56	0	6,833

19 (a) Other financial liabilities – non-current

	As at March 31, 2025	As at March 31, 2024
(a) Rent Deposit	3	4
(b) Employee separation liability	4	5
(c) Liabilities for supplier claims	-	46
Total	7	55

19 (b) Other financial liabilities – current

	As at March 31, 2025	As at March 31, 2024
(a) Liability for capital expenditure (Refer note below)	373	479
(b) Deposits and retention money	121	104
(c) Derivative financial instruments	7	14
(d) Employee separation liability	1	1
(e) Liabilities for supplier claims	-	13
Total	502	611

Note :

Includes ₹ 7 crores (₹23 crores as at March 31, 2024) outstanding towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT, 2006.

TATA MOTORS PASSENGER VEHICLES LIMITED
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20 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 three 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.

The Company's calculation methodology uses detailed historical data corrected for experience as information becomes available as well as individual campaign assumptions (such as scope, uptake rates and repair costs). The calculated provisions are compared to current spend rates to assess balances versus expected future obligations. This can lead to changes in the carrying value of provisions as assumptions are updated over the life of each warranty to reflect where actual experience differs to past experience, for example due to higher inflation or timing of claims impacting disbursement curve analysis. However, there are no individual assumptions that can be reasonably expected to move over the next financial year to such a degree that it would result in a material adjustment to the warranty provision.

The discount on the warranty provision is calculated using a risk-free discount rate as the risks specific to the liability, such as inflation, are included in the base calculation. Estimates of the future costs of warranty actions are subject to numerous uncertainties, including the enactment of new laws and regulations, the number of vehicles affected by a service or recall action and the nature or final cost of the corrective action. Due to the uncertainty and potential volatility of the inputs to these assumptions, it is reasonably possible that the actual cost expenditure over an extended period of time could be materially different to the estimate in a range of amounts that cannot be reasonably estimated. The Company continues to monitor developments in global macroeconomic conditions and potential mitigation strategies, including the global tariff environment, and adjusts the provision if required.

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 - "Recoverable from Suppliers" under Other financial assets. (Refer Note 8(a) and Note 8(b))

(b) Provisions- non current

	As at March 31, 2025	As at March 31, 2024
(a) Employee benefits obligations	220	190
(b) Warranty (refer note (ii) below)	94	99
(c) Onerous Contract (refer note (i) below)	53	-
Total	367	289

(c) Provisions-current

	As at March 31, 2025	As at March 31, 2024
(a) Warranty (refer note (ii) below)	328	185
(b) Employee benefit obligations	5	3
(c) Onerous Contract (refer note (i) below)	1	-
Total	334	188

Note :

(i) Onerous contract provision created during the year.

(ii) Warranty provision movement

	Year ended March 31, 2025
Balance at the beginning	284
Provision made during the year	346
Provision used during the year	(228)
Impact of discounting	20
Balance at the end	422
Current	328
Non-Current	94

21. Income taxes

(a) Accounting policy

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in the statement of profit and loss except when they relate to items that are recognised outside of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit and loss. Current income taxes are determined based on respective taxable income of each taxable entity.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and depreciation carry-forwards could be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the Company intends to settle its current tax assets and liabilities on a net basis.

(b) The reconciliation of income tax expense calculated as per tax rates applicable to individual entities with income tax expense is as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
Profit before tax	718	1,572
Income tax expense at tax rates applicable to the Company	181	396
Reduction in deferred tax expense on utilisation of unrecognised tax losses, tax credit or temporary difference of a prior period	-	(144)
Reduction in current tax on utilisation of unrecognised tax losses, tax credit or temporary difference of a prior period	-	(123)
Impact of change in statutory tax rates	(21)	-
Others	4	39
Income tax expense reported in statement of profit and loss	164	168

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(c) Significant components of deferred tax assets and liabilities for the year ended March 31, 2025 are as follows:

	(₹ in crores)			
	Opening balance	Recognised in statement of profit and loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Unabsorbed depreciation	144	6	-	150
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	13	0	-	13
Compensated absences and retirement benefits	21	4	(1)	24
Lease liabilities	137	90	-	227
Others	14	7	0	21
Total deferred tax assets	329	107	(1)	435
Deferred tax liabilities:				
Property, plant and equipment	110	(14)	-	96
Right to use assets	121	87	-	208
Intangible assets	188	219	-	407
Land	70	(21)	-	49
Total deferred tax liabilities	489	271	-	760
Net Deferred tax assets / (liabilities)	(160)	(164)	(1)	(325)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

	(₹ in crores)			
	Opening balance	Recognised in statement of profit and loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Unabsorbed depreciation	-	144	-	144
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	11	2	-	13
Compensated absences and retirement benefits	19	(4)	6	21
Others	(1)	30	1	30
Total deferred tax assets	29	172	7	208
Deferred tax liabilities:				
Property, plant and equipment	130	(20)	-	110
Intangible assets	(101)	289	-	188
Land	-	70	-	70
Total deferred tax liabilities	29	339	-	368
Net Deferred tax assets / (liabilities)	(0)	(167)	7	(160)

22 (a) Other non-current liabilities

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
(a) Contract liabilities (refer note below)	321	342
(b) Employee benefit obligations - Funded	4	4
(c) Liability For MOOWR*	76	49
Total	401	395

* Manufacturing and Other Operations in Warehouse

22 (b) Other current liabilities

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
(a) Contract liabilities (refer note below)	385	373
(b) Statutory dues (GST, TDS, TCS etc.)	487	439
(c) Others	15	17
Total	887	829

Note:

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
Contract liabilities		
Opening contract liabilities	715	792
Amount recognised in revenue	(338)	(224)
Amount received in advance during the year	329	147
Closing contract liabilities	706	715

Contract liabilities include

	(₹ in crores)		
	As at March 31, 2025	As at March 31, 2024	
Advances received from customers	Current	193	168
Deferred revenue	Current	192	205
	Non-current	321	342
		706	715

TATA MOTORS PASSENGER VEHICLES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

23 Revenue from operation

(a) Accounting policy

The Company generates revenue principally from-

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

The Company recognises revenues from sale of products measured at the amount of transaction price (net of variable consideration), when it satisfies its performance obligation at a point in time which is when products are handed over to dealers or carrier, which is when control including risks and rewards and title of ownership pass to the customer, collectability of the resulting receivables is reasonably assured and when there are no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The Company operates predominantly on cash and carry basis.

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

The consideration received in respect of transport arrangements for delivering of vehicles to the customers are recognised net of their costs in the profit and loss statement.

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

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

When the Company sells products that are bundled with maintenance service or extended period of warranty such services are treated as a separate performance obligation only if the service or warranty is in excess of the standard offerings to the customer. In such cases, the transaction price allocated towards such maintenance service or extended period of warranty based on relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

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

Sales of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as a contract liability and recorded as revenue when service is rendered to customers. Please refer 22 (a) for ongoing performance obligation.

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

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
(I) Revenue from contract with customers		
(a) Sale of products (refer note below)		
(i) Vehicles	40,066	41,586
(ii) Spare parts	3,053	2,587
(iii) Miscellaneous products	5,025	6,123
Total sale of products	<u>48,144</u>	<u>50,296</u>
(b) Sale of services	681	581
Revenue	<u>48,825</u>	<u>50,877</u>
(II) Other operating revenues	<u>144</u>	<u>104</u>
Total	<u><u>48,969</u></u>	<u><u>50,981</u></u>
Note:		
Includes variable marketing expenses netted off against revenue	<u>(1,560)</u>	<u>(1,158)</u>

24 Other income

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
(a) Interest income on financial assets carried at amortised cost	266	224
(b) Profit on sale of investments measured at FVTPL	41	1
(c) Market-to-market Investments measured at FVTPL	8	-
Total	<u>315</u>	<u>225</u>

25 Employee benefit expenses

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
(a) Salaries, wages and bonus	1,336	1,220
(b) Contribution to provident fund and other funds	73	72
(c) Staff welfare expenses	165	160
Total	<u>1,574</u>	<u>1,452</u>

(A) Employee benefits

(a) Accounting policy

(i) Gratuity

Tata Motors Passenger Vehicle Limited have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Tata Motors Passenger Vehicle Limited makes annual contributions to gratuity funds established as trusts. Tata Motors Passenger Vehicle Limited account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

(ii) Bhavishya kalyan yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of TMPVL. 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. TMPVL account for the liability for BKY benefits payable in the future based on an actuarial valuation.

(iii) Provident fund and family pension

In accordance with Indian law, eligible employees of TMPVL are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, were made to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

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(iv) Post-retirement medicare scheme

Under this unfunded scheme, employees of TMPVL (except for new joiners joined on or after January 1, 2024) receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The liability for post-retirement medical scheme is based on an actuarial valuation.

(v) 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.

(vi) 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.

(vii) Measurement date

The measurement date of retirement plans is March 31.

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

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

(b) Employee benefits consists of the following:

(i) Defined Benefit Plan

Pension (Gratuity and BKY) and post retirement medicare scheme

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

	Pension Benefits		Post retirement medicare scheme	
	As at March 31,		As at March 31,	
	2025	2024	2025	2024
(₹ in crores)				
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	347	306	54	35
Defined benefit obligation of superannuation		(4)		-
Current service cost	24	21	3	2
Interest cost	24	21	4	3
Remeasurements (gains) / losses				
Actuarial gain/(loss) arising from changes in demographic assumptions	(4)	1	(10)	3
Actuarial gain arising from changes in financial assumptions	13	7	2	12
Actuarial gain/(loss) arising from changes in experience adjustments	6	7	(1)	(1)
Transfer out of liability	(1)	(2)	(0)	(0)
Benefits paid from plan assets	(7)	(10)	-	-
Benefits paid directly by employer	(1)	(0)	(0)	(0)
Past service cost- plan amendments	-	-	19	0
Defined benefit obligation, end of the year	401	347	71	54
Change in plan assets:				
Fair value of plan assets, beginning of the year	312	268	-	-
Fair value of plan assets of superannuation	-	(5)	-	-
Interest income	22	19	-	-
Return on plan assets, (excluding amount included in net interest expense)	9	5	-	-
Employer's contributions	26	37	-	-
Transfer out of plan asset	(1)	(2)	-	-
Benefits paid	(7)	(10)	-	-
Fair value of plan assets, end of the year	361	312	-	-

	Pension Benefits		Post retirement medicare scheme	
	As at March 31,		As at March 31,	
	2025	2024	2025	2024
Amount recognised in the balance sheet consists of				
Present value of defined benefit obligation	401	347	71	54
Fair value of plan assets	361	312	-	-
Net liability	(40)	(35)	(71)	(54)
Amounts in the balance sheet:				
Non-current assets	8	10	-	-
Non-current provisions	(48)	(45)	(71)	(54)
Net liability	(40)	(35)	(71)	(54)

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

	Pension Benefits	
	As at,	As at,
	March 31, 2025	March 31, 2024
Defined benefit obligation	353	302
Fair value of plan assets	361	312

Information for unfunded plans:

	Pension Benefits		Post retirement medicare scheme	
	As at March 31,		As at March 31,	
	2025	2024	2025	2024
Defined benefit obligation	48	45	71	54

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

	Pension Benefits		Post retirement medicare scheme	
	Year ended March 31,		Year ended March 31,	
	2025	2024	2025	2024
Service cost	24	21	3	2
Net interest cost	2	3	4	3
Past service cost- plan amendments	-	-	19	0
Net periodic cost	26	24	26	5

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

	Pension Benefits		Post retirement medicare scheme	
	Year ended March 31,		Year ended March 31,	
	2025	2024	2025	2024
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	(9)	(5)	-	-
Actuarial gain/(loss) arising from changes in demographic assumptions	(4)	1	(10)	3
Actuarial gain arising from changes in financial assumptions	13	7	2	12
Actuarial gain/(loss) arising from changes in experience adjustments on plan liabilities	6	7	(1)	(1)
Total recognised in other comprehensive income	6	10	(9)	14
Total recognised in statement of comprehensive income	32	34	17	19

The assumptions used in accounting for the pension and post retirement medical plans are set out below:

	Pension Benefits		Post retirement medicare scheme	
	As at March 31,		As at March 31,	
	2025	2024	2025	2024
Discount rate	6.7%	7.0%	6.8%	7.0%
Rate of increase in compensation level of covered employees	6%-10%	6% - 9%	NA	NA
Increase in health care cost	NA	NA	7.0%	7.0%

Plan assets

The fair value of Company's pension plan asset as of March 31, 2025 and 2024 by category are as follows:

Asset category:	Pension Benefits	
	As at March 31,	
	2025	2024
Cash and cash equivalents	12.0%	7.3%
Debt instruments (quoted)	65.8%	69.7%
Debt instruments (unquoted)	0.0%	0.0%
Equity instruments (quoted)	11.6%	11.4%
Deposits with Insurance companies	10.6%	11.6%
	100.0%	100.0%

The Company's policy is driven by considerations of maximising returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published bench marks.

The weighted average duration of the defined benefit obligation as at March 31, 2025 is **9.33** years (March 31, 2024 : 9.74 years).

The Company expects to contribute **₹ 14 crores** to the funded pension plans in the year ending March 31, 2026.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and health care cost:

Assumption	Change in assumption	Impact on defined benefit obligation	Impact on service cost and interest cost
Discount rate	Increase by 1%	Decrease by ₹ 45 crores	Decrease by ₹ 8 crores
	Decrease by 1%	Increase by ₹ 52 crores	Increase by ₹ 9 crores
Salary escalation rate	Increase by 1%	Increase by ₹ 34 crores	Increase by ₹ 7 crores
	Decrease by 1%	Decrease by ₹ 31 crores	Decrease by ₹ 6 crores
Health care cost	Increase by 1%	Increase by ₹ 15 crores	Increase by ₹ 3 crores
	Decrease by 1%	Decrease by ₹ 12 crores	Decrease by ₹ 2 crores

The Company's contribution to defined contribution plan as below:

	As at,	As at,
	March 31, 2025	March 31, 2024
Superannuation	3	3
Provident fund	41	38
Family pension	10	13

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26 Finance costs

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
(a) Interest on borrowings	41	23
Interest on lease liabilities	76	69
Unwinding of discount on provisions / liabilities	11	12
Interest others	15	15
Less: Transferred to capital account	(40)	(21)
	103	98
(b) Discounting charges	55	139
Total	158	237

Note:

The weighted average rate for capitalisation of interest relating to general borrowings were approximately **8.87%** and 9.69% for the years ended March 31, 2025 and 2024, respectively.

27 Other expenses

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
(a) Processing charges	709	705
(b) Consumption of stores and spare parts	190	166
(c) Power and fuel	203	217
(d) Freight, transportation, port charges etc.	203	259
(e) Publicity	427	455
(f) Warranty expenses [^]	396	260
(g) Information Technology / Computer expenses	303	238
(h) Allowances for trade and other receivables (net)	2	11
(i) Works operation and other expenses	1,034	1,174
Total	3,467	3,485
[^] Net of estimated recovery from suppliers	(45)	(20)

Notes:

Works operation and other expenses includes:

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Auditors' Remuneration (excluding GST)		
(i) Audit Fees	5	6
(ii) Tax Audit	0	0
(iii) Other Services	1	1
(iii) Cost audit	0	0

Corporate Social Responsibility (CSR) expenditure

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Amount required to be spent by the Company during the year	13	2
Amount of expenditure incurred on*		
(i) Construction/acquisition of any assets	-	-
(ii) On purposes other than (i) above	14	3
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA

28 Amount transferred to capital and other accounts

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
(a) Capital work in progress	(8)	(6)
(b) Intangible asset under development	(135)	(113)
(c) Product development/Engineering expenses	(159)	(119)
Total	(302)	(238)

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
(a) Product development costs capitalised	1,273	1,040
(b) Product development costs expensed	884	862
Total Product Development cost incurred	2,157	1,902

29 Exceptional items (gain)/loss

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
(a) Reversal of provision for PV undertaking	-	(8)
(b) Employee separation cost	1	7
(c) Past Service cost- Post retirement Medicare scheme	19	-
(d) Provision for onerous contract	7	-
Total	27	(1)

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NOTES FORMING PART OF FINANCIAL STATEMENTS

30 Commitments and contingencies

Contingent Liability of the Company as at March 31, 2025 ₹ 9 crores (₹ 8 crores as at March 31, 2024)

The above amount excludes consequential interest and penalty, if any.

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature amounting to ₹ 1,646 crores as at March 31, 2025 (₹ 1,543 crores as at March 31, 2024), 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 ₹ 285 crores as at March 31, 2025 (₹ 297 crores as at March 31, 2024), which are yet to be executed.

The Company has contractual obligation towards Purchase Commitment (net of provisions) for ₹ 3,767 crores as at March 31, 2025 (₹ 3,158 crores as at March 31, 2024).

31 Earnings 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) Earning per share

		Year ended	
		March 31, 2025	March 31, 2024
(a) Profit after tax	₹ in crores	554	1,404
(b) The weighted average number of Ordinary shares for Basic EPS	Nos	9,417,150,000	9,417,150,000
(c) The nominal value per share (Ordinary)	₹	10	10
(d) Earnings Per Ordinary share (Basic)	₹	0.59	1.49
(e) Earnings Per Ordinary share (Diluted)	₹	0.59	1.49

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32. Financial instruments

(a) Accounting policy

i) Recognition:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial instruments are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial measurement

Financial instruments are initially recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs of financial instruments carried at fair value through profit or loss are expensed in the statement of profit and loss.

Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and measurement – financial assets

Classification of financial assets is based on the business model in which the instruments are held as well as the characteristics of their contractual cash flows. The business model is based on management's intentions and past pattern of transactions. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets are classified into three categories

Financial assets at amortised cost: Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

Financial assets at fair value through profit and loss: Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in profit and loss.

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 statement of profit and loss statement.

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 statement of profit and loss.

Other financial liabilities: These are measured at amortised cost using the effective interest method.

ii) Determination of fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received).

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation methods.

iii) Derecognition of financial assets and financial liabilities:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. Any gain or loss arising on derecognition is recognised in profit or loss. When a financial instrument is derecognised, the cumulative gain or loss in equity is transferred to the statement of profit and loss unless it was an equity instrument electively held at fair value through other comprehensive income. In this case, any cumulative gain or loss in equity is transferred to retained earnings. Financial assets are written off when there is no reasonable expectation of recovery. The Company reviews the facts and circumstances around each asset before making a determination. Financial assets that are written off could still be subject to enforcement activities.

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

iv) Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost or at fair value through other comprehensive income. Expected credit losses are forward looking and are measured in a way that is unbiased and represents a probability-weighted amount, takes into account the time value of money (values are discounted using the applicable effective interest rate) and uses reasonable and supportable information.

v) Hedge accounting:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

At inception of the hedge relationship, the Company documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of the hedged item. The Company documents its risk management objective and strategy for undertaking its hedging transactions. The Company designates amounts excluding foreign currency basis spread in the hedging relationship for both foreign exchange forward contracts. Changes in the fair value of the derivative contracts that are designated and effective as hedges of future cash flows are recognised in the cash flow hedge reserve within other comprehensive income (net of tax), and any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts accumulated in equity are reclassified to the statement of profit and loss in the periods in which the forecasted transactions occurs.

For forwards, the time value are not considered part of the hedge. These are treated as cost of hedge and the changes in fair value attributable to forward premium is recognised in the other comprehensive income along with the changes in fair value determined to be effective portion of the hedge.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Amounts accumulated in equity are reclassified to the statement of profit and loss in the periods in which the forecast transactions affect profit or loss or as an adjustment to a non-financial item (e.g. inventory) when that item is recognised on the balance sheet. These deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of goods sold). For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is immediately transferred to the statement of profit and loss for the year.

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(b) Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

(a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2025.

(₹ in crores)						
Financial assets	Cash and other financial assets at amortised cost	Investments - FVTPL	Derivatives other than in hedging relationship (at fair value through profit or loss)	Derivatives in hedging relationship (at fair value)	Total carrying value	Total fair value
(a) Investments	-	2,234	-	-	2,234	2,234
(b) Trade receivables	138	-	-	-	138	138
(c) Cash and cash equivalents	413	-	-	-	413	413
(d) Other bank balances	2,095	-	-	-	2,095	2,095
(e) Loans	20	-	-	-	20	20
(f) Other financial assets	297	-	11	0	308	308
Total	2,963	2,234	11	0	5,208	5,208

(₹ in crores)						
Financial liabilities	Other financial liabilities (at amortised cost)	Derivatives other than in hedging relationship (at fair value)	Derivatives in hedging relationship (at fair value)	Total carrying value	Total fair value	
(a) Long term Borrowings	256	-	-	256	304	
(b) Short term Borrowings	540	-	-	540	540	
(c) Lease liabilities	900	-	-	900	900	
(d) Trade payables (including acceptances)	7,296	-	-	7,296	7,296	
(e) Other financial liabilities	502	6	1	509	509	
Total	9,494	6	1	9,501	9,549	

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2024.

(₹ in crores)						
Financial assets	Cash and other financial assets at amortised cost	Investments - FVTPL	Derivatives other than in hedging relationship (at fair value through profit or loss)	Derivatives in hedging relationship (at fair value)	Total carrying value	Total fair value
(a) Investments	33	-	-	-	33	33
(b) Trade receivables	398	-	-	-	398	398
(c) Cash and cash equivalents	119	-	-	-	119	119
(d) Other bank balances	25	-	-	-	25	25
(e) Loans	3,663	-	-	-	3,663	3,663
(f) Other financial assets	164	-	20	-	184	184
Total	4,402	-	20	-	4,422	4,422

(₹ in crores)						
Financial liabilities	Other financial liabilities (at amortised cost)	Derivatives other than in hedging relationship (at fair value)	Derivatives in hedging relationship (at fair value)	Total carrying value	Total fair value	
(a) Long-term borrowings	233	-	-	233	261	
(b) Lease liabilities	795	-	-	795	795	
(c) Trade payables (including acceptances)	6,833	-	-	6,833	6,833	
(d) Other financial liabilities	653	13	1	667	667	
Total	8,514	13	1	8,528	8,556	

(b) Fair Value Hierarchy

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

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

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

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

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2025 and March 31, 2024.

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, 2025				Total
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value					
(a) Investments	2,234	-	-	-	2,234
(b) Derivative assets	-	11	-	-	11
Total	2,234	11	-	-	2,245
Financial liabilities measured at fair value					
(a) Derivative liabilities	-	7	-	-	7
Total	-	7	-	-	7

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	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	33	-	-	33
(b) Derivative assets	-	20	-	20
Total	33	20	-	53
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	14	-	14
Total	-	14	-	14

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, 2025			
	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value				
Long-term borrowings	-	304	-	304
Short term Borrowings	-	540	-	540
Total	-	844	-	844

	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value				
Long-term borrowings	-	261	-	261
Total	-	261	-	261

The fair value of borrowings which have a quoted market price in an active market is based on its market price and for other borrowings the fair value is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

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

(b) Offsetting :

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

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

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2025:

	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	11	-	11	(4)	-	7
(b) Trade receivables	1,122	(984)	138	-	-	138
Total	1,133	(984)	149	(4)	-	145
Financial liabilities						
(a) Derivative financial instruments	7	-	7	(4)	-	3
(b) Trade payables	8,280	(984)	7,296	-	-	7,296
Total	8,287	(984)	7,303	(4)	-	7,299

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2024:

	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	20	-	20	(12)	-	8
(b) Trade receivables	1,137	(739)	398	-	-	398
Total	1,157	(739)	418	(12)	-	406
Financial liabilities						
(a) Derivative financial instruments	14	-	14	(12)	-	2
(b) Trade payables	7,572	(739)	6,833	-	-	6,833
Total	7,586	(739)	6,847	(12)	-	6,835

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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.

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, 2025:

					(₹ in crores)
	U.S. dollar	Euro	GBP	Others currency 1	Total
Financial assets	0	-	-	-	0
Financial liabilities	48	36	648	1	733

1. Others mainly include currencies such as the Chinese yuan, Japanese yen, Swiss franc, Swedish Krone.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) and equity before tax by approximately ₹ 0 crores and ₹73 crores for financial assets and financial liabilities respectively for the year ended March 31, 2025.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2024:

					(₹ in crores)
	U.S. dollar	Euro	GBP	Others currency 2	Total
Financial assets	0	-	-	-	0
Financial liabilities	29	55	365	1	450

2. Others mainly include currencies such as the Japanese yen, Swiss franc, Canadian dollar and Danish krone.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately ₹0 crores and ₹45 crores for financial assets and financial liabilities respectively for the year ended March 31, 2024.

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

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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 ₹ 5,208 crores and ₹ 4,412 crores as at March 31, 2025 and 2024, 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 unquoted 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, 2025, and March 31, 2024, 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		(₹ in crores)													
		As at March 31,													
		2025							2024						
		Not due	Up to 6 months	6 months to 1 year	Overdue 1-2 years	2-3 years	More than 3 years	Total	Not due	Up to 6 months	6 months to 1 year	Overdue 1-2 years	2-3 years	More than 3 years	Total
Undisputed															
(a)	Considered good	116	21	-	-	1	-	138	379	16	1	1	0	1	398
(b)	Which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Credit impaired	-	-	-	2	18	10	30	-	0	21	1	1	9	32
Disputed															
(a)	Considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Credit impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		116	21	-	2	19	10	168	379	16	22	2	1	10	430
Less: Allowance for credit impaired balances								(30)							(32)
Total								138							398

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

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(iii) Liquidity risk

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

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

The Company 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, 2025:

(₹ in crores)						
Financial liabilities	Carrying amount	Due in 1 st Year	Due in 2 nd Year	Due in 3 rd to 5 th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables	7,296	7,296	-	-	-	7,296
(b) Borrowings and interest thereon	796	543	-	-	599	1,142
(c) Other financial liabilities	502	496	2	3	4	505
(d) Lease liabilities	900	253	243	561	25	1,082
(e) Derivative liabilities	7	7	-	-	-	7
Total	9,501	8,595	245	564	628	10,032

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2024:

Financial liabilities	Carrying amount	Due in 1 st Year	Due in 2 nd Year	Due in 3 rd to 5 th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables	6,833	6,833	-	-	-	6,833
(b) Borrowings and interest thereon	233	-	-	-	599	599
(c) Other financial liabilities	653	598	18	52	9	677
(d) Lease liabilities	794	199	188	487	110	984
(e) Derivative liabilities	14	14	-	-	-	14
Total	8,527	7,644	206	539	718	9,107

(iv) Derivative financial instruments and risk management

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

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

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

The fair value of derivative financial instruments is as follows:

(₹ in crores)		
	As at March 31, 2025	As at March 31, 2024
(a) Foreign currency forward exchange contracts and options	(2)	3
(b) Commodity Derivatives	6	3
Total	4	6

The loss due to fluctuation in foreign currency exchange rates on derivative contracts, recognised in the statement of profit and loss was ₹ 25 crores and ₹ 2 crores for the years ended March 31, 2025 and 2024, respectively.

(v) Commodity Risk

The Company is exposed to commodity price risk arising from the purchase of certain raw materials such as aluminium, copper, platinum and palladium. This risk is mitigated through the use of derivative contracts and fixed-price contracts with suppliers. The derivative contracts are not hedge accounted 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 ₹ 35 crores and ₹ 73 crores for the years ended March 31, 2025 and 2024, respectively.

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33 Related-party transactions

The Company's related parties principally includes holding company Tata Motors Limited and it's subsidiaries, joint arrangements, associates and their subsidiaries. The Company routinely enters into transactions with these related parties in the ordinary course of business.

All transactions with related parties are conducted at arm's length price under normal terms of business and all amounts outstanding are unsecured and will be settled in cash.

The following table summarises related-party transactions and balances for the year ended / as at March 31, 2025:

	Parent company	Fellow Subsidiaries	Parent company's		Total
			Joint Arrangements	Associates	
(₹ in crores)					
(A) Transactions					
Purchase of products	320	7,853	11,036	3,432	22,641
Sale of products	294	7,721	2,913	25	10,953
Services received including reimbursements	878	785	1	41	1,705
Services rendered including reimbursements	22	469	0	-	491
Purchase of property, plant and equipment	17	29	-	122	168
Finance given (including loans)	6,459	-	-	-	6,459
Finance given, taken back (including loans)	10,102	-	-	-	10,102
Interest expense	0	-	49	-	49
Interest income	166	27	0	-	193
Repayment towards lease liability	3	-	140	-	143
Investment purchased	150	-	-	-	150
Borrowing towards lease liability	-	-	125	-	125
Dividend Paid	254	0	-	-	254
(B) Balances					
Amount payable in respect of lease liability	5	-	589	-	594
Trade and other receivables	0	40	0	2	42
Trade payables	127	1,048	812	214	2,201
Lease receivable	-	150	-	-	150

The following table summarises related-party transactions and balances for the year ended March 31, 2024:

	Parent company	Fellow Subsidiaries	Parent company's		Total
			Joint Arrangements	Associates	
(₹ in crores)					
Transactions					
Purchase of products	222	1,370	14,590	5,007	21,189
Sale of products	1,710	6,841	3,921	7	12,479
Services received including reimbursements	968	573	1	52	1,594
Services rendered including reimbursements	20	425	0	-	445
Bills discounted	-	742	-	-	742
Purchase of property, plant and equipment	12	35	-	155	202
Sale of property, plant and equipment	-	-	12	-	12
Finance given (including loans and equity)	13,268	-	-	-	13,268
Finance given, taken back (including loans)	12,360	-	-	-	12,360
Purchase of DEPB licences	19	-	-	-	19
Interest expense	0	6	49	-	55
Interest income	197	11	0	-	208
Repayment towards lease liability	2	-	120	-	122
Borrowing towards lease liability	-	25	-	-	25
Dividend Paid	151	-	-	-	151
Balances					
Amount receivable in respect of loans and interest thereon	3,643	-	-	-	3,643
Amount payable in respect of lease liability	-	25	555	-	580
Trade and other receivables	-	349	-	-	349
Trade payables	111	490	674	100	1,375
Lease receivable	-	86	-	-	86
Other liabilities	-	-	59	-	59

Details of significant transactions are given below (More than 10% of total transaction value with related parties) :

Name of Related Party	Nature of relationship	(₹ in crores)	
		Year ended March 31, 2025	Year ended March 31, 2024
i) Services rendered			
Tata Passenger Electric Mobility Limited	Fellow Subsidiaries	459	417
ii) Services received			
Tata Motors Limited	Parent company	878	968
Tata Motors Design Tech Centre plc (Formerly known as Tata Motors European Technical Centre PLC)	Fellow Subsidiaries	214	-
Tata Technologies Limited	Fellow Subsidiaries	376	296
iii) Bill discounted			
TMF Business Services Limited	Fellow Subsidiaries	-	348
Tata Motors Finance Ltd	Fellow Subsidiaries	-	394
iv) Sale of property, plant and equipment			
Fiat India Automobiles Private Limited	Joint Arrangements of parent company	-	12
v) Interest income			
Tata Motors Limited	Parent company	166	197
Jaguar Land Rover India Limited	Fellow Subsidiaries	27	11
vi) Interest expense			
Fiat India Automobiles Private Limited	Joint Arrangements of parent company	49	49
vii) Dividend paid			
Tata Motors Limited	Parent company	254	151
viii) Finance given (including loans and equity)			
Tata Motors Limited	Parent company	6,459	13,268

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Details of significant transactions are given below (More than 10% of total transaction value with related parties) continued...

ix) Finance given, taken back (including loans)				
Tata Motors Limited	Parent company		10,102	12,360
x) Repayment towards lease liability				
Fiat India Automobiles Private Limited	Joint Arrangements of parent company		140	120
xi) Borrowing towards lease liability				
Fiat India Automobiles Private Limited	Joint Arrangements of parent company		125	-
Tata Motors Finance Ltd	Fellow Subsidiaries		-	25
xii) Purchase of property, plant and equipment				
Tata Motors Limited	Parent company		17	12
TACO Punch Powertrain Private Limited	Associates of parent company		20	-
Automotive Stampings and Assemblies Limited	Associates of parent company		18	15
Tata Technologies Limited	Fellow Subsidiaries		29	14
Tata AutoComp Systems Limited	Associates of parent company		78	109
xiii) Purchase of products				
Tata Passenger Electric Mobility Limited	Fellow Subsidiaries		6,320	610
Fiat India Automobiles Private Limited	Joint Arrangements of parent company		11,037	14,590
xiv) Sale of products				
Fiat India Automobiles Private Limited	Joint Arrangements of parent company		2,913	3,921
Jaguar Land Rover India Limited	Fellow Subsidiaries		1,985	832
Tata Motors Limited	Parent company		294	1,710
Tata Passenger Electric Mobility Limited	Fellow Subsidiaries		5,736	6,009
xv) Purchase of DEPB licences				
Tata Motors Limited	Parent company		-	19
xvi) Investment purchased				
Tata Motors Limited	Parent company		150	-

Compensation of key management personnel:

	(₹ in crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Short-term benefits	1	1
Post-employment benefits*	0	0
Employees stock option plan	0	0

* 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 25(b) for information on transactions with post employment benefit plans.

34. Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of the Companies Act, 2013

(a) Amount of loans / advances in nature of loans outstanding from holding on a standalone basis.

Name of the Company	Outstanding as at March 31, 2025/ March 31, 2024	Maximum amount outstanding March 31, 2025/ March 31, 2024
(i) Holding Company:		
Tata Motors Limited (Inter corporate deposit utilised for working capital finance)	-	3,838
	3,643	4,238

35. 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, 2025.

Name of struck off Company	Nature of transactions with struck off Company	Amount of transactions	Balance outstanding	(₹ in crores)
				Relationship with the Struck off company
Priya Logistics Pvt Ltd	Services provider	-	0	External vendor
Venture Photocopying Mach	Services provider	0	0	External vendor
Him Motors Private Limited	AMC/Warranty claims	0	0	External customer
Banai Auto Works Private Limited	Material sales	-	0	External customer
Vistar Motors Goa Private Limited	Channel finance	-	(0)	External customer
Chavan Motors Private Limited	Customer deposit balance	-	(0)	External customer
Duggal Autowheels Private Limited	Material sales	-	(0)	External customer
Manan Motors Gujarat Private Limited	AMC/Warranty claims	0	0	External customer
Calicut Automobiles Private Limited	Material sales	-	0	External customer

There were no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended/as at March 31, 2024.

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NOTES FORMING PART OF FINANCIAL STATEMENTS

36. Ratio

Sr No	Particulars	Year ended March 31.		Change	Reason for change
		2025	2024		
a)	Debt Equity Ratio (number of times) [Total Debt ⁽ⁱ⁾ / Shareholders' Equity ⁽ⁱⁱ⁾]	0.09	0.03	200.00%	Due to increase in short term debt.
b)	Debt Service Coverage Ratio (number of times) [(Earnings available for debt service ⁽ⁱⁱⁱ⁾) / (Debt Service ^(iv))]	7.58	8.37	(9.43%)	
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)]	0.75	0.78	(3.85%)	
d)	Trade receivable turnover (number of times) [Revenue from operations / Average Trade receivables]	182.98	154.49	18.44%	
e)	Inventory turnover (number of times) [Raw material consumed ^(vi) / average inventory ^(vii)]	19.62	19.05	2.99%	
f)	Trade payable turnover (number of times) [Cost of material consumed / Average Trade payables]	5.72	8.02	(28.63%)	Due to decrease in cost of material consumed and increase in average trade payable.
g)	Net capital turnover (number of times) [Revenue from operations / Working capital ^(v)]	(20.39)	(26.53)	(23.12%)	
h)	Net profit margin (%) [Net profit after tax / Revenue from operations]	1.13%	2.75%	(58.92%)	Due to decrease in revenue and product mix.
i)	Return on equity (number of times) [Net profit after tax / Average shareholders' equity]	0.07	0.18	(64.05%)	Due to decrease in profit after tax.
j)	Return on capital employed (number of times) [Profit before interest and tax / Capital employed ^(viii)]	0.10	0.21	(54.55%)	Due to decrease in profit and increase in capital employed due to short term borrowing.
k)	Return on investments (number of times) [Interest and Treasury Income ^(ix) / Average Investments ^(x)]	0.08	0.07	13.70%	

Notes :

- i. Total debts includes non current and current borrowings
- ii. Equity = Equity share capital + Other equity
- iii. Earning available for debt service includes net profit after tax, interest cost, non-cash operating expense which is depreciation and amortization.
- iv. Debt service includes interest, repayment of lease liabilities and repayment of borrowing.
- v. 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).
- vi. 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.
- vii. 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.
- viii. Capital employed includes Shareholders' Equity, non current and current borrowings.
- ix. Interest and treasury income includes interest income on fixed deposit, inter corporate deposits, profit on sale of investments and market to market return on Investments.
- x. Average investment includes average investments in mutual funds, fixed deposit, inter corporate deposits and treasury bills.

37. Other statutory information :

- I. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- II. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- III. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- IV. the Company has not advanced or loaned or invested funds to any person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- V. The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- VI. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- VII. The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- VIII. The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- IX. The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and intangible assets during the year.

TATA MOTORS PASSENGER VEHICLES LIMITED
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38 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		(₹ In crores)	
		As at March 31, 2025	As at March 31, 2024
(a) Amounts outstanding but not due (including capital creditors) as at March 31,		55	59
(b) Amounts due but unpaid as at March 31,	- Principal	0	0
(c) Amounts paid after appointed date during the year	- Principal	26	23
(d) Amount of interest accrued and unpaid as at March 31,	- Interest	1	2
(e) Amount of estimated interest due and payable for the period from April 1, 2024 to actual date of payment or May 2, 2025 (whichever is earlier)	- Interest	0	0

ii. Current year amounts are figures are shown in bold print.

iii. The Board of Directors of the Company, at its board meeting held on August 1, 2024, approved (subject to the requisite and other approvals) the Composite Scheme of arrangement amongst Tata Motors Limited (TML), TML Commercial Vehicle Limited (TMLCV) and the Company involving the demerger of TML's Commercial Vehicle ("CV") business undertaking into TMLCV and the merger of the Company with Tata Motors Limited (the existing listed company) thereby resulting in two separate listed companies for the CV and Passenger Vehicle ("PV") businesses. The scheme has been filed with National Company Law Tribunal (NCLT).

See accompanying notes to financial statements
In terms of our report attached

For and on behalf of the Board

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

P B BALAJI (DIN: 02762983)
Director

SHAIKESH CHANDRA (DIN: 07593905)
MD & Chief Executive Officer

RISHABH KUMAR
Partner
Membership No.402877

ANINDYA PAUL
Chief Financial Officer

ANJALI SINGH (ACS: A26664)
Company Secretary

Place- Mumbai
Date: May 2, 2025

Place- Mumbai
Date: May 2, 2025