Board's Report

TO THE MEMBERS OF TATA MOTORS LIMITED

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

FINANCIAL RESULTS

(₹ in crores)

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

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

DIVIDEND

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

TRANSFER TO RESERVES

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

FINANCIAL PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

Operating Results and Profits

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

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

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

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

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

Jaguar Land Rover ('JLR'), (as per IFRS) recorded revenue of GB£19.7 billion in FY 2020-21 compared to GB£23.0 billion in FY 2019-20, down by 14.2%. Wholesales (excluding CJLR) declined by 27.0% year-on year, primarily as a result of the impact of coronavirus affecting all key regions except for China where wholesales grew 23.1% year on year. The reduction in revenue was much lower than the decline in wholesales, reflecting the strong favourable sales mix and higher average revenue

per vehicle during the year. Profit before tax and exceptional items was £662 million in FY 2020-21, significantly improved on the loss before tax and exceptional items of £393 million in FY 2019-20, reflecting the higher EBIT as well as favourable revaluation of unrealised hedges JCR's foreign currency debt, partially offset by higher net finance expense as a result of the increase in indebtedness. The announcement of our Reimagine Strategy in February 2021 triggered £1.5 billion of total exceptional charges in the fourth quarter comprising one-time non-cash write downs of £952 million for products that will not now be completed and £534 million of restructuring and other costs. After exceptional charges, the loss before tax for FY 2020-21 was £861 million, compared to the loss before tax of £422 million in FY 2019-20, which included £29 million of exceptional charges.

VEHICLE SALES AND MARKET SHARES

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

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

TATA MOTORS

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

Commercial Vehicles ('CV')

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

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

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

Passenger Vehicles ('PV')

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

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

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

Exports

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

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

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

JAGUAR LAND ROVER ('JLR')

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

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

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

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

Tata Daewoo Commercial Vehicle Company Limited ('TDCV')

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

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

TMF Holdings Limited ('TMFHL')

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

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

SHARE CAPITAL

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

ISSUE OF DEBENTURES

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

FINANCE

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

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

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

Material Changes and Commitment affecting the Financial Position

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

CONSOLIDATED FINANCIAL STATEMENT

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

SUBSIDIARY, JOINT ARRANGEMENTS AND ASSOCIATE COMPANIES

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

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

- JT Special Vehicles Private Limited, ceased to be joint venture and became a wholly-owned subsidiary, consequent to 50% share transfer from Jayem Automotive Private Limited w.e.f August 11, 2020.

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

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

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

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

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

RISK MANAGEMENT

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

The Board takes responsibility for the overall process of risk management throughout the organisation. Through an Enterprise Risk Management programme, our business units and corporate functions address risks through an institutionalized approach aligned to our objectives. This is facilitated by corporate finance. The Business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are presented to the senior management.

INTERNAL FINANCIAL CONTROL SYSTEMS AND ADEQUACY

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

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

HUMAN RESOURCES

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

Diversity and Inclusion

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

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

Prevention of Sexual Harassment

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

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

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

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

Particulars of Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure-1**.

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Shareholders, excluding the aforesaid Annexure. The

said Statement is also open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure are related to any Director of the Company.

BUSINESS RESPONSIBILITY REPORT

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

SAFETY & HEALTH – PERFORMANCE & INITIATIVES

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

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

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

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

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

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

ENERGY & ENVIRONMENT

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

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

In FY 2020-21, the Company conserved a total of 11.47 lakh m^3 of water through recycling effluent and rainwater harvesting, which is 27.1% of total water consumption as compared to 16.4% in FY 2019-20. In FY 2020-21, the Company sustained its efforts across Plants to divert hazardous waste from landfill / incineration and derive value from the same. Several Plants divert hazardous wastes for energy recovery through co-processing at cement Plants. The Company will continue this initiative to ultimately achieve 'Zero Waste to Landfill' status for all its manufacturing operations.

CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR

activities during the year in the format prescribed in the Companies (CSR Policy) Amendment Rules, 2021 are set out in **Annexure - 2** of this Report. The policy is available on Company's website at URL: https://investors. tatamotors.com/pdf/csr-policy.pdf

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

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

ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2020-21 is available on Company's website at https://www.tatamotors.com/investors/annual-reports/

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment / Re-appointment

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

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

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

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

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

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

Independent Directors

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

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

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

Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel (KMPs) of the Company during FY 2020-21 are:

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

CORPORATE GOVERNANCE

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

MEETINGS OF THE BOARD

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

COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Safety Health and Sustainability Committee

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

BOARD EVALUATION

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

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

basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

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

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Refer Report on Corporate Governance para on Familiarisation Programme.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

Selection and procedure for nomination and appointment of Directors

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

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

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

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

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

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

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

VIGIL MECHANISM

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

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The vigil mechanism provides a mechanism for employees of the Company to approach the Chairperson of the Audit Committee of the Company for redressal. No person has been denied access to the Chairperson of the Audit Committee. In addition to the above, the employee also has an option to approach the Chief Ethics Counsellor (CEC).

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

AUDIT

Statutory Audit

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

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

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

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

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

The management's response is as follows:

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

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

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

Branch Audit

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

Secretarial Audit

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

Cost Audit

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Mani & Co., a firm of Cost Accountants in Practice (Registration No.000004) as the Cost Auditors of the Company to conduct cost audits for relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2022. The Board on recommendations of the Audit Committee have approved the remuneration payable to the Cost Auditor, subject to ratification of their remuneration by the Members at the forthcoming AGM. The resolution approving the above proposal is being placed for approval of the Members in the Notice for this AGM.

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

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

OTHER DISCLOSURES

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

Given that the Company does not have any RPTs to report pursuant to Sections 134(3)(h) and 188 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2, the same is not provided.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

(₹ in crores)

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

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

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

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

DEPOSITS FROM PUBLIC

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

b) they have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

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

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

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

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

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

SECRETARIAL STANDARDS

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

DIVIDEND DISTRIBUTION POLICY

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

INVESTOR EDUCATION AND PROTECTION FUND

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

GENERAL

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

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

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai, May 18, 2021

Annexure – 1

Details of Remuneration of Directors, KMPs and Employees and comparatives

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

1. a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the FY 2020-21:

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

Notes:

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

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

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

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

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

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

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

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

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

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

Employee Group	Median Remuneration (₹ in lakh)	Increase in the median remuneration (%)
White Collar	11.99	-0.33
Blue Collar	7.52	8.65

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

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

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

Employee group	Average percentage increase / (decrease) in salaries for FY 2020-21 (in %)
All permanent (Blue Collar and White Collar)	3.71
White Collar	-0.71
Blue collar	9.96
Executive Directors / Managerial Remuneration	
Mr Guenter Butschek	24.89*

Note:

Salaries for blue collar includes only Total Fixed pay, as they are not given any performance linked bonus but have plant-wise wage revision at a set frequency. The annual variable/performance pay and the salary increment of managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against major performance areas which are closely aligned to Company's objectives.

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

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

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

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai, May 18, 2021

ANNEXURE - 2

Annual Report on CSR Activities

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

1. A brief outline of the Company's CSR policy:

   1. Overview:

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

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

   (ii) **CSR Projects:** 1. Aarogya (Health): Addressing child malnutrition; health awareness for females; preventive & curative health services and institutional strengthening, drinking water projects; 2. Vidyadhanam (Education): Scholarships; Special coaching classes for secondary school students; IIT-JEE & competitive exams coaching, school infrastructure improvement; co-curricular activities; financial aid to engineering students, 3. Kaushalya (Employability): Divers training – novice and refresher; ITI partnership & allied-auto trades; Motor Mechanic Vehicle (MMV); Training in retail, hospitality, white goods repair, agriculture & allied trades; 4. Vasundhara (Environment): Tree plantation, environmental awareness for school students. 5: Rural Development such as Integrated Village Development Programme (IVDP) in partnership with district administration, Palghar, Maharahstra.

2. Composition of CSR Committee:

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

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

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

   Weblink for Tata Motors India CSR Policy:

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

   Weblink for Tata Motors CSR Projects:

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

   Weblink for CSR Board Committee:

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

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

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

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

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

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

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

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

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

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

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

(₹ in crores)

Total Amount Spent for the Financial Year.	Total Amount transferred to		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer.
23.99	Nil	-	-	Nil	-

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

1	2	3	4	5	6	7	8	9	10	11	12	
				Location of the project.								
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	State	District	Project duration. (in years)	Amount allocated for the project (₹ in crore)	Amount spent in the current financial Year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
											Name	CSR Registration number.
1	Skill Development and vocational skills in Automotive and Non-Automotive Sector	Employability Enhancing Skill Development	Yes	Andhra Pradesh Chhattisgarh Goa – Gujarat - Jharkand - Karnataka - Kerala - Maharashtra Meghalaya - Odisha - Punjab - Tamil Nadu - Uttarakhand- Uttar Pradesh - West Bengal	Vishakapatnam, Vizianagaram Champa Goa Ahmedabad, Vadodara East Singhbum Bengaluru, Bijapur, Dharwad, Hassan, Honnavar, Mangalore Ernakulam, Kannur, Kottayam, Thrissur, Thiruvananthapuram Mumbai, Nashik, Pune, Palghar, Thane Shillong, West Jaintia Hills, West Khasi Hills Balasore, Mayurbhanj Jalandher Dindugal, Erode, Karur, Kumbakonam, Madurai, Thiruvallur, Nagapattinam, Thiruvannamalai, Tiruchirapalli, Villuppuram Udham Singh Nagar Barbanki, Lucknow Asansol, Bankura, Kolkata, Purba Medinipur	1 Yr	4.1	4.1	NA	NO	Helping hands, RABSONS Info World, JSS Shri Manjunatheshwara Pvt ITI College, Canara Bank Deshpande Rural Development Self Employment training Institute, Pratham Education Foundation, Ramkrishna Mission Sakwar, Skills for Progress, Fr Agnel, Dharti Charitable Trust, Sanand Education Trust, MITCON Foundation, Ador welding academy pvt. ltd., Yashaswi academy for skills, Ambika Motor Driving School, Fr Angel Institute of Technical Training & Entrepreneurship Development, Shaswat Trust Junnar, Ayush Motor Driving, Vikas Samities, Samaj Vikas Kendra, Institute of Social Development	NA

1	2	3	4	5	6	7	8	9	10	11	12	
				Location of the project.								
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	State	District	Project duration. (in years)	Amount allocated for the project (₹ in crore)	Amount spent in the current financial Year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
											Name	CSR Registration number.
2	Promoting primary and secondary education in Rural and Socially/ Economically Backward communities	Promoting Education	Yes	Bihar - Delhi- Gujarat - Jharkand - Karnataka - Maharashtra Puducherry; Uttarakhand Uttar Pradesh – Pan India- JNV Schools	Patna New Delhi, Noida Ahmedabad, Gandhinagar East Singhbum Dharwad Mumbai, Kolhapur, Palgarh, Pune, Sindhudurg, Thane Nainital, Udham Singh Nagar Barbanki, Lucknow	1 yr	9.8	9.8	NA	NO	Swami Vivekananda Youth Movement, YMCA, Urmee Charitable Trust, Tata Institute of Social Sciences – Prayas, Tata Institute of Social Sciences – Fellowship Ramkrishna Mission, Sakwar, Foundation for Academic Excellence and Access (FAEA), Navneet Foundation, Indian Institute of Technology- Gandhinagar, Avanti Fellows, Ex Navodayan Foundation, Shaswat Trust Junnar, Ganatar, Astittva Welfare Foundation, Moinee Foundation, College of Engineering ,Pune, Swaroopwardhinee, Samata Shikshan Sanstha, Suprabhat Mahila Mandal, Sevasahyog Foundation,Youth Organization for Joining Action and Knowledge, Shaswat Trust Junnar Shiksha Prasar Kendra, Institute of Social Development	NA
3	Preventive and curative health services in Communities	Eradicating Hunger, Promoting preventive healthcare, Malnutrition, sanitation and safe drinking water	Yes	Bihar - Gujarat - Jharkand - Karnataka - Maharashtra Uttarakhand Uttar Pradesh -	Saran Ahmedabad East Singhbum Dharwad Mumbai, Palghar, Pune, Thane Udham Singh Nagar Barbanki, Lucknow	1yr	3.84	3.84	NA	NO	Family Planning Association Of India, Niramaya Health foundation, Ramkrishna Mission, Sakwar, LTH Silver Jubilee Research Foundation, Yugrishi Shriram Sharma Acharya Charitable Trust, Manav Seva Trust, Namaste Life, Dharti Charitable Trust, Sneh Foundation, Snehdeep Janklyan Foundation, Unik Medicare Solution, Parivar Kalyan Sansthan, Nav Jagrat Manav Samaj, Jan Parivar Kalyan Sansthan, Paryavaran evam jan kalyan samite, Institute of Social Development, Sumant Moolgaonkar Development Foundation,	NA

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

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

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

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

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

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

(g) Excess amount set off, if any

Sr. no.	Particular	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per Seciton 135(5)	Not applicable
(ii)	Total amount spent for the Financial Year	23.99
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1					Nil.		

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

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

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

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

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

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

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable

Mumbai, May 18, 2021

Guenter Butschek
CEO and Managing Director
DIN: 07427375

Om Prakash Bhatt
Chairman CSR Committee
DIN: 00548091

ANNEXURE - 3

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

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

A. CONSERVATION OF ENERGY

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

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

Energy Conservation (ENCON) projects have been implemented at all Plants and Offices of the Company in a planned and budgeted manner. In FY 2020-21, all Plants achieved significant reduction in fixed energy consumption on non-working days by administrative and process controls. Some of the major ENCON Projects in FY 2020-21 include:

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

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

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

The Company continued to add on-site Renewable Energy (solar) generation capacity in FY 2020-21, which brings the total installed capacity to:

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

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

In FY 2020-21, the Company generated / sourced 73.33 million kWh of renewable electricity for its manufacturing operations which is 20.0% of the total power consumption. This contributed to avoidance of 60,860 tCO_2e and financial saving of ₹21.10 crores.

(iii) The capital investment on energy conservation equipment:

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

Awards / Recognition received during the year is as below:

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

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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

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

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

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

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

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

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

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

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

IPR Generation

- During FY 2020-21, the Company filed 89 patent applications and 11 design applications. With respect to applications filed in previous years, 79 patents were granted and 47 designs were registered. Filing include national jurisdiction and grant details include national and international jurisdictions. Success on this front was acknowledged by the following independent and credible acknowledgements.
  - 100% growth in patents for year 2020 and 2019 over the past two calendar years (2018 and 2017).
  - Winning CII's 6th Industrial IP Award for 'Best Patents Portfolio for a Large (Manufacturing/ Engineering) Organization' in December 2020.

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

- The Company continued to strengthen its capabilities across the technology domains to meet the emerging and future market needs. By careful selection of advanced engineering and future technology portfolio, the Company intends to capitalize and bookshelf the developed technologies for incorporation into the future products for making them more exciting and more attractive to the end customers. The Company also wishes to mitigate all future risks related to technology by timely having a basket of appropriate emerging technology solutions.

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

Major technology absorption projects undertaken during the last year includes:

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

Major technology imports includes:

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

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

- The Company is mainly focused on specific areas of R&D and Engineering by which it can meet its Mission & Vision. For passenger cars, the main focus areas are in the domain of creating stunning design, pleasurable driving experience and connectivity. For commercial vehicles, in addition to design, the main focus areas are total cost of ownership, to be a market leader in application specific fuel efficiency and to deliver high performance and reliable products.
- On CV front too, for EV segment Tata Motors R&D team has been successful in developing affordable Electric products. The Company have been exclusively working in shared mobility space through gamut of vehicles needed for last mile connectivity ranging from small CV's to trucks and buses. On safety front, R&D team is working toward

developing technology for enhancing Vehicle Safety such Advance Driver Assistance System (ADAS), driver health monitoring systems etc. In previous few years, Tata Motors have launched a range of several safety related technologies in its vehicle which includes Electronic Stability Control, Automatic Traction Control (ATC) and Hill Start Aid (HSA) for range of trucks.

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

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

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

Competency Development

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

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

Future Areas of Focus

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

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

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

On behalf of the Board of Directors

N Chandrasekaran
Chairman
DIN- 00121863

Mumbai, May 18, 2021

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

For the Financial Year ended March 31, 2021
(Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Tata Motors Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Motors Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

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

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

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

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

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period).

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

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

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

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

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

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

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

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

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

We further report that:

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

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

notice for which necessary consents have been sought at the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

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

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

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

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

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

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

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

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

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

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

For Parikh & Associates
Company Secretaries

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

Place: Mumbai
Date : May 18, 2021

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

'Annexure A'

To,
The Members
Tata Motors Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practicing Company Secretaries

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

Place: Mumbai
Date : May 18, 2021

Business Responsibility Report for FY 2020-21

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

INTRODUCTION

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

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

Section A: General Information about the Company

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

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

8. **List three key products/ services that the Company manufactures/ provides (as in balance sheet)**

   1. Passenger Cars
   2. Commercial Vehicles
   3. Vehicles sales and service

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

9. **Total number of locations where business activity is undertaken by the Company**

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

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

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

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

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

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

Section B: Financial Detail of the Company

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

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

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

carried out various relief activities PAN India which benefitted 1,41,160 people though relief activities.

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

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

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

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

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

Section C: Other Details

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

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

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

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

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

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

Section D: BR Information

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

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

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

b) Details of the BR head

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

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

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

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

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

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

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

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

P5 – Businesses should respect and promote human rights.

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

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

P8 – Businesses should support inclusive growth and equitable development.

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

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

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

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

3. Governance related to BR

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

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

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

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

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

Section E: Principle-wise performance

Principle 1: Ethics, Transparency and Accountability

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

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

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

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

   Ethics Helpline:

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

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

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

   Written application:

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

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

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

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

Principle 2 : Product Life Cycle Sustainability

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Principle 3: Employee Wellbeing

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

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

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

   36,401 as on 31st March, 2021

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

   1,034 as on 31st March, 2021

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

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

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

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

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

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

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

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

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

   a. **Permanent Employees**

   b. **Permanent Women Employees**

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

   d. **Employees with Disabilities**

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

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

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

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

Principle 4: Stakeholder Engagement

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

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

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

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

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

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

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

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

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

Principle 5: Human Rights

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

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

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

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

Principle 6: Environment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Principle 7: Policy Advocacy

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

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

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

I. Standing Committee on Emissions Legislation (SCOE)

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

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

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

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

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

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

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

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

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

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

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

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

III. Automotive Industry Standards Committee (AISC)

IV. BIS TEDC /TED Committee Meetings

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

VI. AISC/TED Panel Meetings on Individual Subjects

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

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

Principle 8: Inclusive Growth

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

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

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

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

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

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

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

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

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

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

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

   Total expenditure reported is ₹23.99 crores.

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

The details of projects:

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

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

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

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

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

Principle 9: Customer Value

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

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

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

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

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

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

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

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

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

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

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

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

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

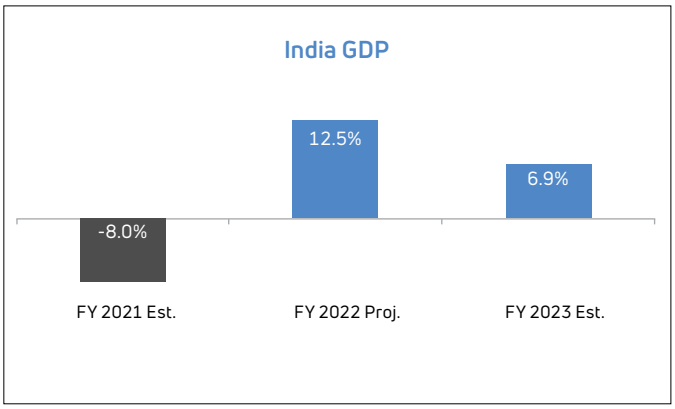
   Internal customer satisfaction surveys are conducted for all the commercial vehicle channel partners across the country. Feedback is captured for repair quality, staff behavior, cost efficiency and timely delivery. During the year, a satisfaction score of 92.37% was achieved.

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

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW

INDIA



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

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

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

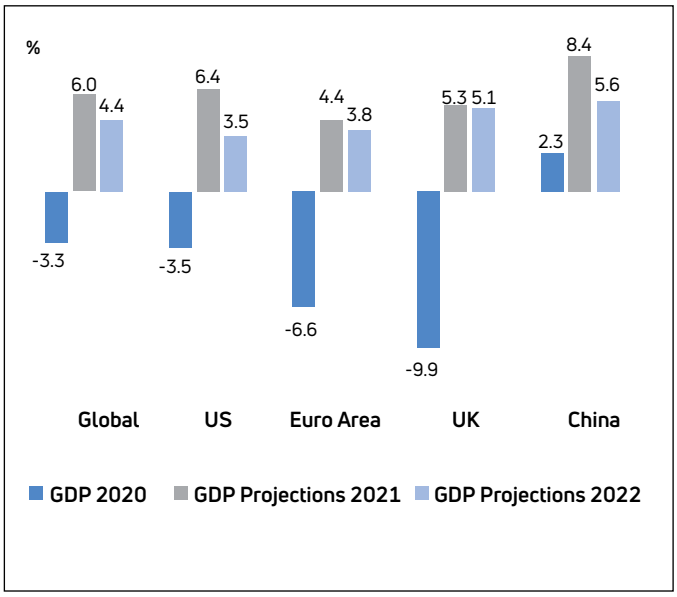
The automobile industry recovered slightly in FY 2020-21 due to the resurgence of the economy. According to data released by SIAM, in FY 2020-21, the Indian automotive industry recorded a 6.1% decline in domestic sales compared to a 20.3% decline in FY 2019-20. The Passenger Vehicle segment declined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

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

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

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

WORLD



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

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

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

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

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

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

United States: The decline in the U.S economy in the first half of year 2020 was nearly three times as large as the peak decline during the global financial crisis, underscoring the depth of the recession. U.S output fell by 3.5% in 2020. Although the COVID-19 pandemic's economic impact was not as severe as envisioned in previous projections, last year's contraction was more than one percentage point larger than that of 2009. Substantial fiscal support to household incomes far exceeding similar measures delivered during the global financial crisis contributed to a robust initial rebound in the third quarter of 2020, which was subsequently cut short by a broad resurgence of the pandemic. Growth in the U.S is forecast to recover to 6.4% in FY 2021, held down in the early part of the year by subdued demand amid renewed restrictions and a broad-based resurgence of the COVID-19, pandemic. Activity is expected to strengthen in the second half of this year and firm further next year, as improved COVID-19 management aided by ongoing vaccination allows for an easing of pandemic-control measures. At $1.9 trillion, the Biden administration's new fiscal package is expected to deliver a strong boost to growth in the United States in FY 2021 and provide sizable positive spillovers to trading partners. Debt service costs are expected to remain manageable across advanced economies, thanks to the relatively large fraction of their debt burden covered by long-term and sometimes negative-yielding bonds. Fiscal support in emerging market and developing economies has been more limited, and deficits are generally expected to decline as revenues improve and crisis-related expenditures unwind with the projected economic recovery. Higher debt service costs are also expected to constrain their ability to address social needs, including rising poverty and growing inequality, or to correct the setback in human capital accumulation during the crisis.

Europe: Economic activity in Europe has deteriorated significantly due to the widespread virus outbreak. In Europe, following the historic pandemic-induced collapse, an emerging rebound in economic activity

in the third quarter of last year was cut short by a sharp resurgence of the COVID-19 pandemic, which prompted many member countries to re-impose stringent lockdown measures. Against the backdrop of a historic recession, the policy response has been far-reaching and sustained. National fiscal support packages were bolstered by grants from the European Union to the hardest-hit member countries, which are expected to support activity starting in FY 2021. The European economy declined by 6.6% in 2020 and growth is expected to rebound to 4.4% in 2021 owing to improved COVID-19 management, an initial vaccine rollout, and rising external demand, particularly from China.

United Kingdom: The International Monetary Fund ("IMF") raised its forecast for British economic growth which is set to outpace the euro zone this year after its slump in 2020 but is unlikely to regain its pre-pandemic size until sometime in 2022. The IMF said the UK economy would grow by 5.3% in 2021, up from a previous forecast of 4.5% it made in January 2021, helped by the country's fast COVID-19 vaccination program and a latest round of stimulus by the government. The UK has suffered Europe's highest COVID-19 death toll and its economy shrank by almost 10% last year, the worst performance among the region's big economies except for Spain. But it has moved more quickly than almost all other countries with its coronavirus vaccination program. Almost half the total population of the United Kingdom had a first jab of the vaccine. For 2022, the IMF raised its forecast to British economic growth slightly to 5.1% which would be the strongest expansion among Europe's big economies next year, according to the IMF.

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

COVID-19 Pandemic and managing workforce

At Tata Motors, the health and safety of our employees has always been our top priority. We have taken several proactive measures to ensure the safety of our employees and their families and offer them support as we navigate the COVID-19 pandemic. We moved our office operations into work from home model and enabled employees with all the tools to keep up their productivity. We launched a health portal where in employees' check in and declare the status on their and their family's' health. This information has enabled our Medical team to reach out to those who needed help and provide them support. In addition to this, we have also launched 'Employee Assistance Program', a confidential counselling service for employees and members of their families to foster their emotional well-being.

During Restart phase, dedicated 'Restart' teams at each location curated detailed guidelines and conducted intensive trainings for maintaining social distancing at all workplaces, shop floors and canteen facilities. We restarted our operations at select plants and dealership with limited, essential staff in each plant, adhering to all mandated safety norms while efficiently meeting operational requirements. Gradually we scaled up our operations with entire ecosystem of suppliers, vendors, dealers and customers coming up to speed.

At Jaguar Land Rover, the health, wellbeing and safety of its people and partners remains their utmost priority. Working with Public Health England, JLR were one of the first businesses and the largest in the UK, to introduce on-site Covid-19 testing. All of JLR's facilities benefit from effective social distancing, hygiene and health monitoring protocols and every one of its UK employees has been equipped with reusable face coverings. Furthermore, Jaguar Land Rover took part in a ground-breaking pilot scheme in partnership with Public Health England, where approximately 4,500 JLR employees were vaccinated against Covid-19 over a 10 day period, at JLR's Solihull manufacturing site in the West Midlands. Jaguar Land Rover's global retailer network were inevitably impacted during the pandemic but maintained sales channels through innovative remote solutions such as a 'click and delivery' arrangements.

COVID-19 Pandemic and its impact on Financials

COVID-19 pandemic has rapidly spread throughout the world, including India. Governments in India and across the world have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's manufacturing plants and offices had to be closed down / operate under restrictions for a considerable period of time during the year and post year end. Lockdowns / restrictions have impacted the Company operationally including on commodity prices, supply chain matters (including semiconductor supplies), consumer demand and recoveries of loans under its vehicle financing business. More recently, the next wave of the pandemic has impacted India and the Company is monitoring the situation closely taking into account the increasing level of infections in India and across the world and directives from the various Governments. Management believes that it has taken into account all the possible impacts of known events arising from the COVID-19 pandemic in the preparation of the financial results including but not limited to its assessment of the Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development, allowances for losses for finance receivables ,product warranty, residual value risk, lease payments, employee benefits, government grants and the net realisable values of other assets including inventory and Deferred tax asset.

However, given the effect of these lockdowns and restrictions on the overall economic activity and in particular on the automotive industry, the impact assessment of the COVID-19 pandemic on the financial statement is subject to significant estimation uncertainties due to its nature and duration and, accordingly, the actual impacts in the future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

Automotive Operations

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

- All activities relating to the development, design, manufacture, assembly and sale of vehicles as well as related spare parts and accessories;
- distribution and service of vehicles; and
- financing of the Company's vehicles in certain markets.

The automotive operation is further divided into four reporting segments:

(i) Tata and other brand vehicles - Commercial vehicles;

(ii) Tata and other brand vehicles – Passenger vehicles;

(iii) Jaguar Land Rover; and

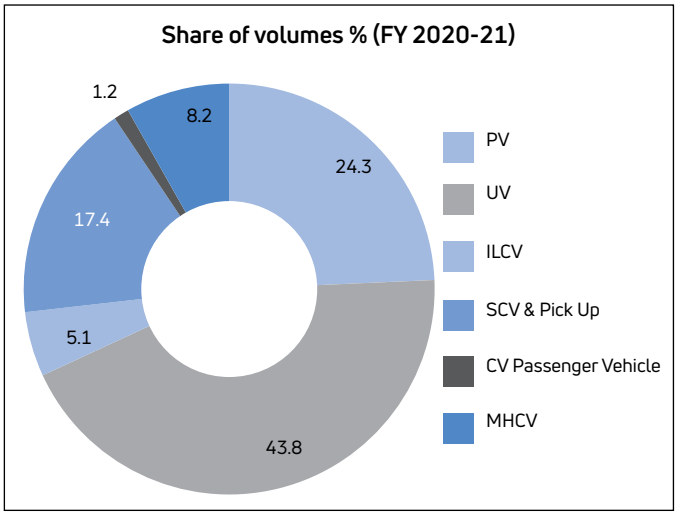
(iv) Vehicle Financing

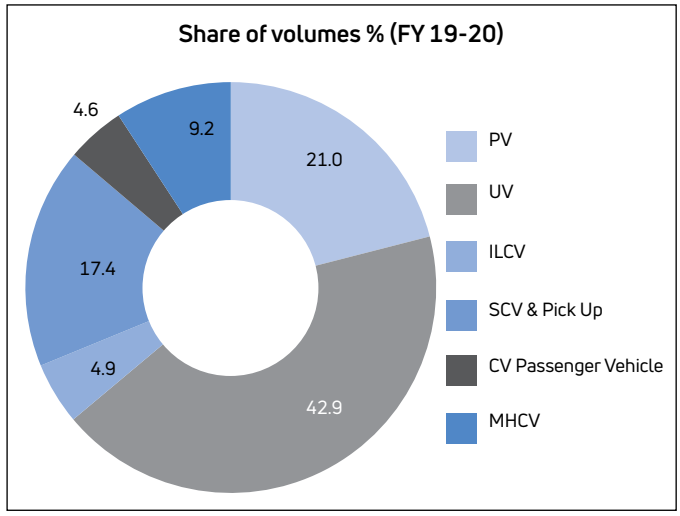
Overview of Automotive Operations

The total sales (excluding China joint venture) for FY 2020-21 and FY 2019-20 are set forth in the table below:

	FY 2020-21 Units	FY 2019-20 Units
Passenger cars	2,03,361	2,02,010
Utility vehicles	3,66,909	4,11,866
Intermediate and Light Commercial Vehicles	42,386	47,406
SCV & Pick Up	1,46,174	1,67,639
CV Passenger Vehicle	10,377	44,335
Medium and Heavy Commercial Vehicles	68,576	88,207
Total	**8,37,783**	**9,61,463**

We sold 4,90,151 units of Tata Commercial Vehicles and Tata Passenger Vehicles and 3,47,632 units (excluding wholesales from the China Joint Venture) of Jaguar Land Rover vehicles in FY 2020-21. In terms of units sold, our largest market was India where we sold 4,63,736 and 4,48,614 units during FY 2020-21 and FY 2019-20, respectively (constituting 55.4% and 46.7% of total sales in FY 2020-21 and FY 2019-20, respectively), followed by North America, where we sold 93,759 units and 1,35,766 units in FY 2020-21 and FY 2019-20, respectively (constituting 11.2% and 14.1% of total sales in FY 2020-21 and FY 2019-20, respectively).





Tata and other brand vehicles

India is the primary market for Tata and other brand vehicles (including vehicle financing). During FY 2020-21, the Indian automotive sector was impacted by several challenges, including COVID-19 pandemic, subdued demand, weak consumer sentiment and supply disruptions. The COVID-19 pandemic significantly impacted our sales in India in the first quarter of FY 2020-21, although some recovery was observed beginning with the second quarter of FY 2020-21.

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

	FY 2020-21		FY 2019-20	
	Units	%	Units	%
Tata Passenger Vehicles	2,22,638	45.4%	1,37,924	28.4%
Tata Commercial Vehicles	2,67,513	54.6%	3,47,587	71.6%
Total	**4,90,151**	**100.0%**	**4,85,511**	**100.0%**

Of the 4,90,151 units sold overall in FY 2020-21, the Company sold 4,63,736 units of Tata and other brand vehicles in India and 26,415 units outside India, compared to 4,48,614 units and 36,897 units, respectively in FY 2019-20.

We maintained our leadership position in the Commercial Vehicle category in India, which was characterized by increased competition during the year. The Passenger Vehicle market also continued to be subject to intense competition.

The following table sets forth our market share in various categories in the Indian market based on TML wholesale volumes:

Category	FY 2020-21	FY 2019-20
Passenger Cars	8.8%	4.2%
Utility Vehicles	7.4%	5.6%
Total PV	**8.2%**	**4.8%**
Medium and Heavy Commercial Vehicles	58.1%	57.4%
Intermediate and Light Commercial Vehicles	45.9%	47.2%
SCVs and Pick Ups	37.5%	37.9%
CV Passenger Vehicles	40.6%	40.9%
Total CV	**42.4%**	**43.0%**
Total Four-Wheel Vehicles	**14.1%**	**12.7%**

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

The following table sets forth TML total domestic wholesales and retails of Tata Commercial Vehicles and Tata Passenger Vehicles

	Wholesale Volume (in units)			Retail Volume (in units)		
	FY 2020-21	FY 2019-20	% change	FY 2020-21	FY 2019-20	% change
Tata Commercial vehicles	2,41,668	3,12,267	(22.6)	2,08,437	3,60,787	(42.2)
Tata Passenger vehicles	2,22,074	1,31,796	68.5	2,28,863	1,48,789	53.8
Total	**4,63,742**	**4,44,063**	**4.4**	**4,37,300**	**5,09,576**	**(14.2)**

Passenger Vehicles in India

Industry sales of Passenger vehicles (including vans) decreased by 2.0% to 27,09,936 units in FY 2020-21 from 27,66,512 units in FY 2019-20. The following table sets forth the breakup of the wholesale sales in various categories of TML.

	Industry Sales			Tata Passenger Vehicles Sales		
	FY 2020-21 (in units)	FY 2019-20 (in units)	% change	FY 2020-21 (in units)	FY 2019-20 (in units)	% change
Passenger Cars	15,41,968	16,95,344	(9.0)	1,35,680	71,719	89.2
Utility Vehicles	10,62,887	9,52,764	11.6	86,394	60,077	43.8
Total	**26,04,855**	**26,48,108**	**(1.6)**	**2,22,074**	**1,31,796**	**68.5**

Industry-wide sales of Passenger cars in India decreased by 9.0% in FY 2020-21, compared to a 23.6% decline in FY 2019-20, while Utility Vehicles sales increased by 11.6% in FY 2020-21 compared to marginal increase in FY 2019-20. While overall industry sales were lower than in FY 2019-20, the trend of preference towards personal mobility reduced the overall impact of slowdown. TML Passenger vehicle sales increased by 68.5% to 2,22,074 units in FY 2020-21 compared to 1,31,796 units in FY 2019-20. Tata Passenger Vehicle sales in India increased by 62.8% to 2,22,075 units in FY 2020-21 from 1,36,446 units reflecting a strong response for the New Forever Range. Retail sales marginally outnumbered wholesale sales, thereby reaffirming strong demand and thin pipeline inventory at our dealers.

In Passenger cars category, TML sales increased by 89.2% to 1,35,680 units in FY 2020-21 compared to 71,719 units in FY 2019-20. Tata-brand vehicles sales increased to 1,35,681 units in FY 2020-21, compared to 75,781 units in FY 2019-20. During FY 2020-21, we launched refreshed variants of products, including Altroz I Turbo, Altroz XM and Tiago XTA. Our market share for Passenger Cars in India was higher at 8.8% in FY 2020-21, compared to 4.2% in FY 2019-20.

In the Utility Vehicles category, TML sales increased by 43.8% to 86,394 units in FY 2020-21 compared to 60,077 units in FY 2019-20 and Tata-brand vehicles sales increased to 86,394 units in FY 2020-21 compared to 60,665 units in FY 2019-20 representing a strong demand for Tata Nexon and Tata Harrier. Our market share of Utility Vehicles in India has increased and stands at 7.4% in FY 2020-21, compared to 5.6% in FY 2019-20. In FY 2020-21, we launched Tata Safari and refreshed variants for Tata Nexon and Harrier. We launched Tata Safari in January 2021 and sold 3,855 units in FY 2020-21.

Tata Motors continued to remain market leader in electric vehicles in FY 2020-21 with a 71% share due to a strong response for Nexon EV.

Commercial Vehicles in India

Industry sales of commercial vehicles decreased by 21.7% to 5,69,307 units in FY 2020-21 from 7,26,762 units in FY 2019-20. The following table sets forth the breakup of the wholesale sales in various categories on standalone basis.

Category	Industry Sales			Tata Commercial Vehicle Sales		
	FY 2020-21 (in units)	FY 2019-20 (in units)	% change	FY 2020-21 (in units)	FY 2019-20 (in units)	% change
Medium and Heavy Commercial Vehicles	1,00,712	1,32,272	(23.9)	58,528	75,918	(22.9)
Intermediate and Light Commercial Vehicles	82,386	89,066	(7.5)	37,826	42,077	(10.1)
SCVs and Pick Ups	3,65,347	4,11,352	(11.2)	1,36,835	1,55,790	(12.2)
CV Passenger Vehicles	20,862	94,072	(77.8)	8,479	38,482	(78.0)
Total	**5,69,307**	**7,26,762**	**(21.7)**	**2,41,668**	**3,12,267**	**(22.6)**

The Commercial Vehicle industry continued to be impacted in FY 2020-21, because of the COVID-19 pandemic, lower freight utilizations, difficulties in obtaining financing and some hesitation due to rising costs for BS VI vehicles.

MHCVs in India

Sales of TML in the MHCVs category in India decreased by 22.9% to 58,528 units in FY 2020-21 compared to 75,918 units in FY 2019-20 and Tata-brand vehicle sales decreased to 58,521 units in FY 2020-21, compared to 75,848 units in FY 2019-20. The MHCV segment witnessed a sharp decline in first quarter of FY 2020-21, thereby sequentially improving quarter-on-quarter, as the economy unlocked and infrastructure projects, housing construction and mining segment picked up. We continued to witness strong demand in this segment and increased our market share by 70 bps to 58.1% in FY 2020-21.

ILCVs in India

Sales of TML in the ILCVs category in India decreased by 10.1% to 37,826 units in FY 2020-21 compared to 42,077 units in FY 2019-20 and Tata-brand vehicle sales decreased to 37,826 units in FY 2020-21, from 42,052 units in FY 2019-20.

SCVs and Pickups in India

Sales in SCVs & Pick Ups category in India of Tata-brand vehicle decreased by 12.2% to 1,36,835 units in FY 2020-21 from 1,55,790 units in FY 2019-20. Amongst all segments in commercial vehicles, the SCV and Pick Up category witnessed a lower decline because of increased demand from e-commerce players and necessity for last mile distribution. TML received a significant order of 6,413 Tata Ace Gold vehicles from Andhra Pradesh State Civil Supplies Corporation.

CV Passenger Vehicles in India

Sales in CV Passenger Vehicles category in India of TML decreased by 78.0% to 8,479 units in FY 2020-21 compared to 38,482 units in FY 2019-20 and Tata-brand vehicle sales decreased to 8,479 units in FY 2020-21 from 38,478 units in FY 2019-20. CV Passenger segment was impacted the highest because of the COVID-19 pandemic, with work from home protocols, schools not reopening and lower demand from State Transport Undertakings.

Tata Commercial Vehicles and Tata Passenger Vehicles — Exports

International business is a key part of our portfolio since its inception in 1961. We have a global presence in more than 46 countries, including all South Asian Association for Regional Cooperation countries, South Africa, Africa, Middle East and Southeast Asia. We market a range of products including M&HCV trucks, LCV trucks, buses, pickups and small commercial vehicles.

Our overall sales in international markets decreased by 32.0% to 20,849 units in FY 2020-21, compared to 31,144 units in FY 2019-20. Commercial vehicles exports were 20,283 units in FY 2020-21, as compared to 29,664 units in FY 2019-20. In Africa, Tanzania clocked the highest retails since September 2018, while both Congo and Ghana recorded highest retails after five years. Saudi Arabia also clocked its highest retails in the last two years and the entire Middle East buses closed the year with a 12% higher market share than the previous year. Passenger Vehicles exports were at 566 units in FY 2020-21, compared to 1,480 units in FY 2019-20. Sales were substantially impacted by the COVID-19 pandemic.

Tata Daewoo Commercial Vehicle Co. Ltd or TDCV's, our subsidiary company that engages in the design, development and manufacturing of MHCVs and LCVs, witnessed a marginal decrease in overall sales by 1.2% to 5,127 units in FY 2020-21 from 5,190 units in FY 2019-20. In its domestic market (South Korea), TDCV's sales increased by 3.4% from 3,581 units in FY 2019-20 to 3,701 units in FY 2020-21. The market share for this segment was 20.1% in FY 2020-21, compared to 20.5% in FY 2019-20. Apart from MHCV, TDCV also launched new product range of LCV vehicles in the fourth quarter of FY 2020-21 which accounted 241 units of sales in the FY 2020- 21. Due to the product range expansion total domestic sales increased by 10.1% from 3,581 units in FY 2019-20 to 3,942 units in FY 2020-21. The export market was severely impacted by the COVID-19 pandemic and experienced a reduction of 26.4% from 1,609 units in FY 2019-20 to 1,185 units in FY 2020- 21.

Tata Commercial Vehicles and Tata Passenger Vehicles - Sales and Distribution

Our sales and distribution network in India as at March 31, 2021 comprised approximately over 5,959 touch points for sales and service for its Passenger Vehicles and Commercial Vehicles businesses. We use a network of service centers on highways and a toll-free customer assistance center to provide 24-hour roadside assistance including replacement of parts, to vehicle owners.

We have customer relations management system at all of our dealerships and offices across India, which supports users both at our company and among our distributors in India and abroad.

We market our Commercial Vehicles and Passenger Vehicles in several countries in Africa, the Middle East, Southeast Asia, South Asia, Australia, Latin America, Russia, and the Commonwealth of Independent States countries. We have a network of distributors in all such countries, where we export our vehicles. Such distributors have created a network of dealers and branch offices and facilities for sales and after-sales servicing of our products in their respective markets. We have also stationed overseas resident sales and service representatives in various countries to oversee our operations in the respective territories.

Tata Commercial Vehicles and Tata Passenger Vehicles - Competition

We face competition from various domestic and foreign automotive manufacturers in the Indian automotive market. Improving infrastructure and robust growth prospects compared to other mature markets have attracted strong international companies to India that have either formed joint ventures with local partners or have established independently owned operations in India. Global competitors bring with them their international experience, global scale, advanced technology, and significant financial resources, and as a result, competition is likely to further intensify in the future. We have designed our products to suit the requirements of the Indian market based on specific customer needs, such as safety, driving comfort, fuel-efficiency and durability. By moving to BS VI successfully we have demonstrated our ability to compete with the global players successfully. We believe that our vehicles are suited to the general conditions of Indian roads and the local climate. We also offer a wide range of optional configurations to meet the specific needs of our customers. We intend to develop and are developing products to strengthen our product portfolio in order to meet the increasing customer expectation of owning world-class products.

Tata Commercial Vehicles and Tata Passenger Vehicles - Seasonality

Demand for our vehicles in the Indian market is subject to seasonal variations. Demand generally peaks between January and March each year, although there tends to be a decrease in demand in February just before release of the Government of India's fiscal budget. Demand is usually lean from April to July and gains momentum again in the festival season from September onwards, with a decline in December due to year-end.

Tata and other brand vehicles – Vehicle Financing

Through our wholly-owned subsidiary TMF Holdings Ltd and its step-down subsidiaries Tata Motors Finance Ltd ("TMFL") and Tata Motors Finance Solutions Ltd ("TMFSL"), we provide financing services to purchasers of our vehicles through independent dealers, who act as our agents for financing transactions, and through our branch network. TMF group disbursed ₹13,258 crores and ₹15,029 crores in vehicle financing during FY 2020-21 and FY 2019-20, respectively. Approximately 33% and 31%, of our commercial vehicle unit sales in India were made by the dealers through financing arrangements with the Company's captive financing subsidiary during FY 2020-21 and FY 2019-20, respectively. As at March 31, 2021 and 2020, TMF group's customer finance receivable portfolio comprised 7,18,149 and 6,24,354 contracts, respectively. We follow specified internal procedures, including quantitative guidelines, for selection of our finance customers and assist in managing default and repayment risk in our portfolio. We originate all the contracts through our authorized dealers and direct marketing agents with whom we have agreements. All our marketing, sales and collection activities are undertaken through dealers or by TMF group.

TMFL securitizes or sells its finance receivables based on the evaluation of market conditions and funding requirements. The sell down happens either through Securitization Pass Through Certificates ("PTC") or through direct assignment route. Securitization PTC is backed by credit enhancement where certain percentages of losses are protected to the extent of credit enhancement. The PTC route is one of the most prominent sources of fund raising in the market. We also do securitization by way of direct assignment where there is no support provided to the pool in the form of credit enhancement. Significantly, these assets are Priority Sector Loan assets because of which demand for direct assignment is good with Public Sector Banks. The constitution of these pools is based on criteria that are decided by credit rating agencies and/or based on the advice that we receive regarding the marketability of a pool. TMFL undertakes these securitizations of our receivables due from purchasers by means of private placement.

TMFL acts as the collection agent on behalf of the investors, representatives, special purpose vehicles or banks, in whose favor the receivables have been assigned, for the purpose of collecting receivables from the purchasers on the terms and conditions contained in the applicable deeds of securitization, in respect of which pass-through certificates are issued to investors in case of special purpose vehicles, or SPVs. TMFL also secures the payments to be made by the purchasers of amounts constituting the receivables under the loan agreements to the extent specified by rating agencies by any one or all of the following methods:

- furnishing collateral to the investors, in respect of the obligations of the purchasers and the undertakings to be provided by TMFL;
- furnishing, in favor of the investors, certain percentages of the future principal in the receivables as collateral, for securitizations done through FY 2020-21, either by way of a fixed deposit or bank guarantee or subordinate tranche to secure the obligations of the purchasers and our obligations as the collection agent, based on the quality of receivables and rating assigned to the individual pool of receivables by the rating agencies; and
- by way of over-collateralization or by investing in subordinate pass-through certificates to secure the obligations of the purchasers.

Jaguar Land Rover

Total wholesale and retail volume of Jaguar Land Rover vehicles with a breakdown between Jaguar and Land Rover brand vehicles, in FY 2020-21 and FY 2019-20 are set forth in the table below:

	Wholesale Volume (in units excluding CJLR)			Retail Volume (in units including CJLR)		
	FY 2020-21	FY 2019-20	% change	FY 2020-21	FY 2019-20	% change
Jaguar	**67,333**	**1,25,820**	**(46.5)**	**97,669**	**1,40,593**	**(30.5)**
UK	22,305	35,033	(36.3)	22,529	32,533	(30.8)
North America	13,450	30,514	(55.9)	18,186	30,095	(39.6)
Europe	20,693	36,158	(42.8)	20,578	35,335	(41.8)
China	4,603	7,162	(35.7)	28,181	26,061	8.1
Overseas	6,282	16,953	(62.9)	8,195	16,569	(50.5)
Land Rover	**2,80,299**	**3,50,132**	**(19.9)**	**3,41,919**	**3,68,066**	**(7.1)**
UK	59,195	75,034	(21.1)	60,466	74,079	(18.4)
North America	80,309	1,05,252	(23.7)	92,619	99,251	(6.7)
Europe	55,913	77,112	(27.5)	58,682	71,702	(18.2)
China	42,542	31,150	36.6	83,025	64,063	29.6
Overseas	42,340	61,584	(31.2)	47,127	58,971	(20.1)
Jaguar Land Rover	**3,47,632**	**4,75,952**	**(27.0)**	**4,39,588**	**5,08,659**	**(13.6)**
UK	81,500	1,10,067	(26.0)	82,995	1,06,612	(22.2)
North America	93,759	1,35,766	(30.9)	1,10,805	1,29,346	(14.3)
Europe	76,606	1,13,270	(32.4)	79,260	1,07,037	(26.0)
China	47,145	38,312	23.1	1,11,206	90,124	23.4
Overseas	48,622	78,537	(38.1)	55,322	75,540	(26.8)
CJLR	**65,279**	**49,450**	**32.0**			

Jaguar Land Rover's performance on a wholesale basis:

In FY 2020-21, Jaguar Land Rover wholesale volumes (excluding our China Joint Venture) were 3,47,632 units down 27.0% compared to FY 2019-20, primarily reflecting the disruption in sales and production because of the COVID-19 pandemic. Wholesale volumes from the China Joint Venture were 65,279 units, reflecting a 32.0% increase compared to the 49,450 units in FY 2019-20. Wholesale volumes (excluding our China Joint Venture) in China strongly grew year-on-year in FY 2020-21, up 23.1% reaching 47,145 vehicles as the region continued to recover strongly from the pandemic. However, as a result of COVID-19-related impacts on society and business, Jaguar Land Rover wholesales declined in other regions including in Overseas markets (down 38.1% year-on-year), Europe (down 32.4%), North America (down 30.9%) and in the UK (down 26.0%). Wholesale volumes of all models declined due to the impact of the COVID-19 pandemic in FY 2020-21, apart from the new Land Rover Defender which wholesaled 53,501 vehicles reflecting the strong reception in the market for an anticipated model.

Jaguar Land Rover's performance on a retail basis:

Jaguar Land Rover retail sales were 4,39,588 vehicles in FY 2020-21, down 69,071 vehicles (13.6%) from FY 2019-20. The decline in retail sales was primarily the result of the initial COVID-19 lockdown impacting the first quarter sales, with some recovery in sales thereafter. Retail sales in every region and on every model declined as a result of the COVID-19 pandemic with the exception of retail sales in China, which were up 23.1% year-on-year and sales of the newly introduced Land Rover Defender, which reached 45,244 vehicles in the period. In addition to the COVID-19 pandemic, other factors that impacted the sales in the industry during FY 2020-21 included ongoing in the UK and Europe related to Brexit related developments (in spite of a trade agreement between the UK and the EU being reached in December 2020) and more generally regulatory and emissions challenges as well as continuing trade tensions and other geopolitical pressures.

Retails by powertrain

Jaguar Land Rover continued to roll out electrification technology across its model range in FY 2020-21. Twelve of the JLR's 13 nameplates are now available with an electrified option, with plug-in hybrids ("PHEV") available in eight models and mild hybrids ("MHEV") in 11 models. As a result, the mix of electrified vehicles retailed in the full year was 51%, including 3.6% for the all-electric Jaguar I-PACE, 4.6% PHEV and 42.9% MHEV, with the remaining 48.9% of retail sales from traditional diesel and petrol internal combustion engines.

Jaguar Land Rover's Sales & Distribution

As at March 31, 2021, Jaguar Land Rover distributed its vehicles in 118 markets for Jaguar and 123 markets for Land Rover globally. Sales locations for vehicles are operated as independent franchises. Jaguar Land Rover is represented in its key markets through its National Sales Company's ("NSC's") as well as third-party importers. Jaguar and Land Rover has regional offices in certain select countries that manage customer relationships and vehicle supplies and provide marketing and sales support to its their regional importer markets. The remaining importer markets are managed from the United Kingdom.

Jaguar Land Rover products are sold through a variety of sales channels: through its dealerships for retail sales, for sale to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies and governments. Jaguar Land Rover does not depend on a single customer or small group of customers to the extent that the loss of such a customer or group of customers would have a material adverse effect on its business.

As at March 31, 2021, the Jaguar Land Rover global sales and distribution network comprised 23 NSCs, 78 importers, one export partner and 2,839 franchise sales dealers in 1,513 sites, of which 1,326 are joint Jaguar and Land Rover dealers.

Jaguar Land Rover — Competition

Jaguar Land Rover operates in a globally competitive environment and faces competition from established premium and other vehicle manufacturers who aspire to move into the premium performance car and premium SUV markets, some of which are much larger than they are. Jaguar vehicles compete primarily against other European brands such as Audi, Porsche, BMW and Mercedes Benz as well as Tesla. Land Rover and Range Rover vehicles compete largely against SUVs from companies such as Audi, BMW, Infiniti, Lexus, Mercedes Benz, Porsche, Volvo and Volkswagen.

Jaguar Land Rover — Seasonality

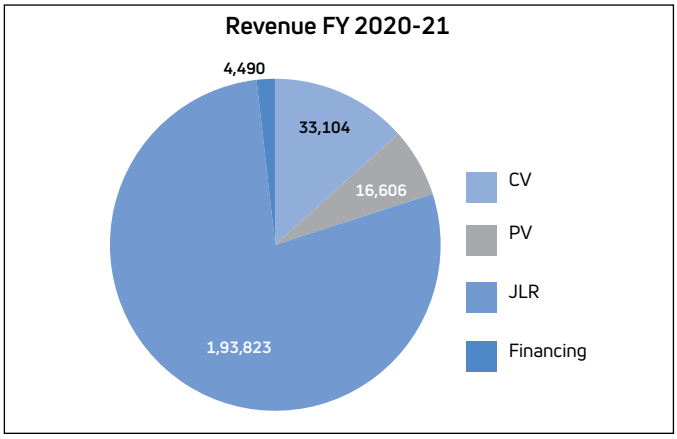
Jaguar Land Rover volumes are impacted by the biannual change in age related registration plates of vehicles in the United Kingdom, where new age-related plate registrations take effect in March and September each year. This has an impact on the resale value of the vehicles because sales are clustered around the time of the year when the vehicle registration number change occurs. Seasonality in most other markets is driven by the introduction of new model year vehicles and derivatives. Furthermore, Western European markets tend to be impacted by summer and winter holidays, and the Chinese market tends to be affected by the Lunar New Year holiday in either January or February, the PRC National Day holiday, and the Golden Week holiday in October. The resulting sales profile influences operating results on a quarter-to-quarter basis.

Other Operations

In addition to our automotive operations, we are also involved in other business activities, mainly information technology services. The Company's revenue from other operations before inter-segment eliminations was ₹2,612 crores in FY 2020-21, a decrease of 14.3% from ₹3,047 crores in FY 2019-20. The decrease in revenue of Tata Technologies due to the COVID-19 pandemic. Revenues from other operations represented 1.0% and 1.2% of total revenues, before inter-segment eliminations, in FY 2020-21 and FY 2019-20, respectively.

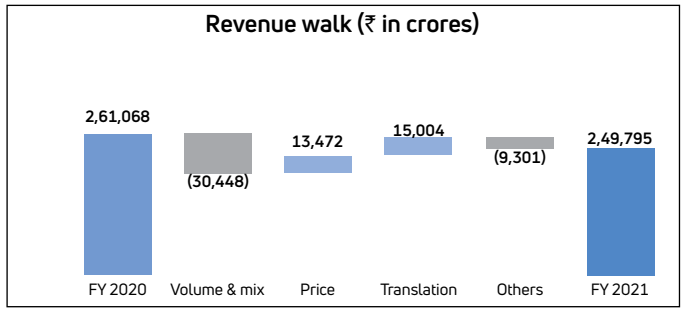
A. Operating Results

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



Overview

In FY 2020-21 income from operations including finance revenues decreased by 4.3% to ₹2,49,795 crores in FY 2020-21 from ₹2,61,068 crores in FY 2019-20. This decrease was mainly attributable to lower sales volumes from both Tata Motors and Jaguar Land Rover and partially offset by a favorable currency translation from GBP to INR and increase in average selling price per unit under BS VI norms.



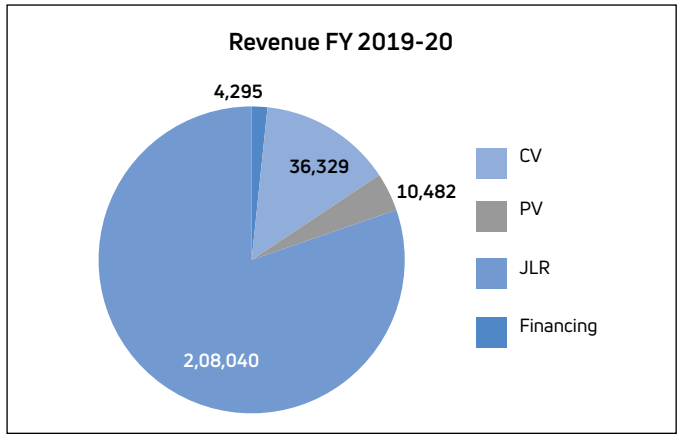
The net loss (attributable to shareholders of our Company) was ₹13,451 crores in FY 2020-21, compared to a loss of ₹12,071 crores in FY 2019-20. In FY 2020-21 we have taken a charge of ₹14,994 crores for our Jaguar Land Rover business due to the Reimagine strategy, reversal of impairment charge and onerous contract of ₹1,959 crores, as against provision of ₹2,549 crores in FY 2019-20 for our passenger vehicle business of Tata Motors Ltd. Excluding the exceptional items, profit before tax was ₹2,908 crores in FY 2020-21, compared to a loss of ₹8,709 crores in FY 2019-20, attributable to better product mix and cost reduction measures.

Automotive operations

Automotive operations are our most significant segment, accounting for 99.4% and 99.3% of our total revenues in FY 2020-21 and FY 2019-20, respectively. In FY 2020-21, revenue from automotive operations before inter-segment eliminations was ₹2,48,181 crores compared to ₹2,59,292 crores in FY 2019-20.

	FY 2020-21	FY 2019-20	Change %
Total revenue (₹ in crores)	248,181	259,292	(4.3)
Earning before other income, interest and tax (₹ in crores)	8,541	(43)	20,008
Earning before other income, interest and tax (% to total revenue)	3.4	(0.0)	

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



	Total Revenues (₹ crores)		Earnings/(loss) Before Other Income, Interest and Tax (₹ crores)		Earnings Before Other Income, Interest and Tax (% of revenue)	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Tata Commercial Vehicle	33,104	36,329	(305)	(368)	(0.9)	(1.0)
Tata Passenger Vehicle	16,606	10,482	(1,564)	(2,868)	(9.4)	(27.4)
Jaguar Land Rover	1,93,823	2,08,040	7,691	594	4.0	0.3
Vehicle Financing	4,490	4,295	2,794	2,855	62.2	66.5
Unallocable	284	216	(75)	(256)	(26.5)	(118.7)
Intra- segment elimination	(126)	(71)	-	-	-	-
Total	**2,48,181**	**2,59,292**	**8,541**	**(43)**		

In FY 2020-21, Jaguar Land Rover contributed 78% of our total automotive revenue compared to 80% in FY 2019-20 (before intra-segment elimination) and the remaining 22% was contributed by Tata and other brand vehicles and Vehicle Financing in FY 2020-21, compared to 20% in FY 2019-20. The following table sets forth selected data from Tata and other brand vehicles (including vehicle financing) and Jaguar Land Rover in FY 2020-21 and FY 2019-20 and the percentage change from period to period (before intra-segment eliminations) are set forth in the table below.

	FY 2020-21	FY 2019-20	Change
	(₹ in crores)		%
Tata and other brand vehicles including vehicle financing	54,484	51,322	6.2
Jaguar Land Rover	1,93,823	2,08,040	(6.8)
Intra-segment elimination	(126)	(71)	77.5
Total	**2,48,181**	**2,59,291**	**(4.3%)**

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

	FY 2020-21	FY 2019-20	Change
	(₹ in crores)		%
Commercial Vehicles	33,104	36,329	(8.9)
Passenger Vehicles	16,606	10,482	58.4
Vehicle Financing	4,490	4,295	4.5
Unallocable	284	216	31.4
Total	**54,484**	**51,322**	**6.2**

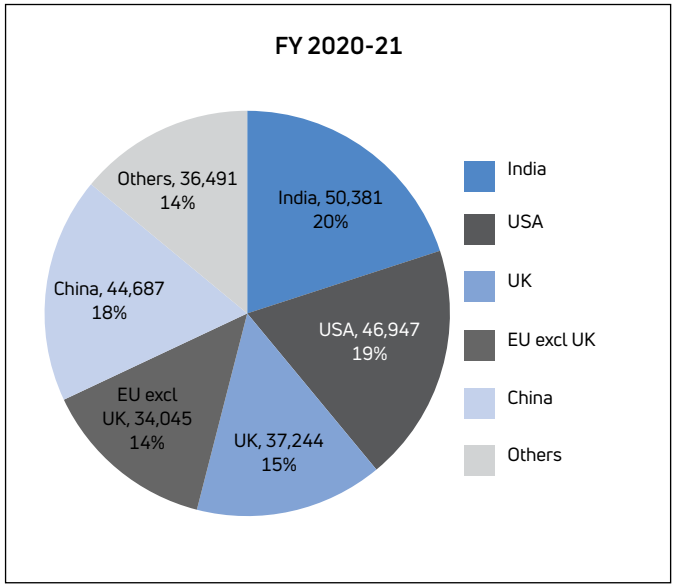
Other operations

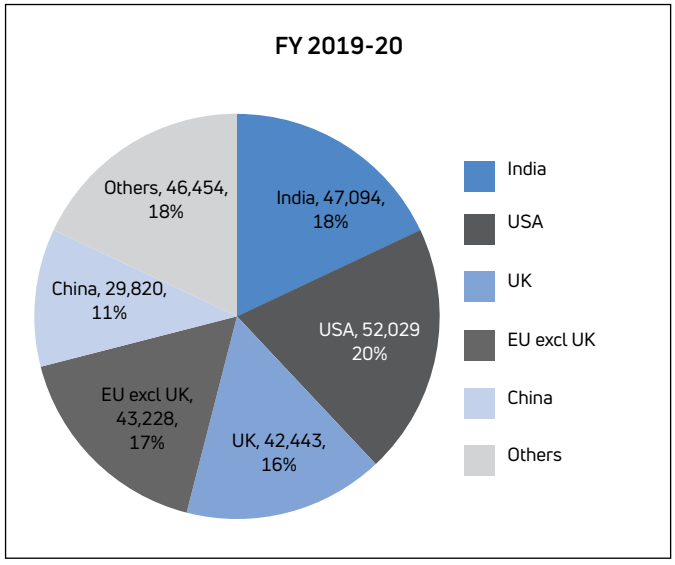
Our other operations business segment mainly includes information technology services, machine tools and factory automation solutions. The following table sets forth selected data regarding our other operations for the periods indicated and the percentage change from period to period (before inter-segment eliminations).

	FY 2020-21	FY 2019-20	Change %
Total revenue (₹ in crores)	2,612	3,047	(14.3)
Earning before other income, interest and tax (₹ in crores)	319	382	(16.4)
Earning before other income, interest and tax (% of revenue)	12.2%	12.5%	

Geographical Breakdown

As a result of the COVID-19 pandemic in FY 2020-21, there is a reduction in revenue across most geographical markets except China and India, In FY 2020-21 volume and percentage of revenues in China and India have improved from FY 2019-20 levels. China witnessed a double-digit growth in volumes in FY 2020-21 as the region continued to recover strongly from the pandemic. However, as COVID-19 pandemic spread globally, many government authorities were forced to introduce and re-introduce strict social distancing measures over the course of the year, as a result, Jaguar Land Rover wholesale volumes declined in other regions including in Overseas markets (down 38.1% year-on-year), Europe (down 32.4%), North America (down 30.9%) and in the UK (down 26.0%). In addition to COVID-19 pandemic, other factors impacting automotive industry sales during FY 2020-21 included Brexit uncertainty for the UK and Europe, although a trade agreement was reached between the UK and the EU in December 2020, and more generally regulatory and emissions challenges as well as continuing trade tensions and other geopolitical pressures. The following chart sets forth our revenue from key geographical markets:





The "Rest of Europe" market is geographic Europe, excluding the United Kingdom and Russia. The "Rest of World" market is any regions not included above.

The following table sets forth selected items from our consolidated statements of income for the periods indicated and shows these items as a percentage of total revenue:

	FY 2020-21 (%)	FY 2019-20 (%)
Revenue from operations	100.0	100.0
Expenditure:		
Cost of material consumed (including change in stock)	63.4	64.0
Employee Cost	11.1	11.7
Product development/Engineering expenses	2.1	1.6
Other expenses (net)	16.4	21.8
Amount transferred to capital and other accounts	(5.1)	(6.7)
Total Expenditure	87.8	92.4
Profit before other income, Depreciation and amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax	12.2	7.6
Other Income	1.1	1.1
Profit before Depreciation and Amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax	13.3	8.7
Depreciation and Amortization	9.4	8.2
Finance costs	3.2	2.8
Foreign exchange loss (net)	(0.7)	0.7
Exceptional Item (gain)/loss (net)	5.5	1.1
Profit/(loss) before tax	(4.2)	(4.1)
Tax expense / (credit)	1.0	0.1
Profit/(loss) after tax	(5.2)	(4.2)
Share of profits/(loss) of equity accounted investees (net)	(0.2)	(0.4)
Minority Interest	-	-
Profit/(loss) for the year	(5.4)	(4.6)
EBITDA	12.2	8.5
EBIT	2.6	(0.0)

EBITDA is defined to include the product development expenses charged to P&L and realised FX and commodity hedges but excludes the revaluation of foreign currency debt, revaluation of foreign currency other assets and liabilities, MTM on FX and commodity hedges, other income (except government grant) as well as exceptional items.

EBIT is defined as reported EBITDA plus profit from equity accounted investee less depreciation and amortization.

Revenue Analysis:

Our total consolidated revenue from operations including finance revenue, decreased by 4.3% to ₹2,49,795 crores in FY 2020-21 from ₹2,61,068 crores in FY 2019-20. Revenue from the sale of vehicle decreased to ₹2,06,419 crores in FY 2020-21, compared to ₹2,18,983 crores, a decrease of 5.7%. We sold 8,37,783 vehicles in FY 2020-21, compared to 9,61,463 vehicles in FY 2019-20.

The revenue of our Tata brand vehicles including vehicle finance increased by 6.2% to ₹54,484 crores in FY 2020-21 from ₹51,322 crores in FY 2019-20, mainly due to increased volumes in passenger car segment. The revenue from Tata commercial vehicle was ₹33,104 crores in FY 2020-21, compared to ₹36,329 crores in FY 2019-20, a decrease of 8.9%. The revenue from Tata Passenger Vehicles was ₹16,606 crores in FY 2020-21, compared to ₹10,482 crores in FY 2019-20, an increase of 58.4%. Our revenues from sales of vehicles and spare parts manufactured in India increased by 7.2% to ₹47,033 crores in FY 2020-21 from ₹43,865 crores in FY 2019-20.

The revenue from Passenger Cars in India has increased by 105.9% to ₹5,832 crores in FY 2020-21 from ₹2,833 crores in FY 2019-20, Electric vehicle increased to ₹571 crores in FY 2020-21 from ₹152 crores in FY 2019-20 and Utility Vehicles increased by 56.7% to ₹6,534 crores in FY 2020-21 from ₹4,169 crores in FY 2019-20. The increase in Passenger Vehicles was mainly on account of pent-up demand, better products and safety features of our New forever range of vehicles. The revenue from Commercial Vehicle in ILCVs category increased by 9.6% to ₹4,047 crores in FY 2020-21 from ₹3,693 crores in FY 2019-20. The SCVs and Pickups category in India increased by 26.1% to ₹4,824 crores in FY 2020-21 from ₹3,826 crores in FY 2019-20. However, revenues from MHCVs category decreased by 1.4% to ₹13,808 crores in FY 2020-21 from ₹14,006 crores in FY 2019-20 and CV Passenger Vehicles category revenue decreased by 72.6% to ₹1,078 crores in FY 2020-21 from ₹3,936 crores in FY 2019-20. The revenue of commercial vehicle at overall level decreased mainly due to the COVID-19 pandemic, lower freight utilizations, difficulties in obtaining financing and some hesitation due to rising costs for BS VI vehicles. There is a reduction in sales volume which was partially offset by increase in average selling price per unit under BS VI norms.

Revenue attributable to TDCV, increased marginally by 5.8% to ₹3,316 crores in FY 2020-21 from ₹3,134 crores in FY 2019-20. Domestic (South Korea) sales witnessed a 10.1% increase from 3,581 units in FY 2019-20 to 3,942 units in FY 2020-21 due to product range expansion. The export market was severely impacted by COVID-19 and experienced a reduction of 26.4% from 1,609 units in FY 2019-20 to 1,185 units in FY 2020- 21.

Revenue from our Vehicle Financing operations increased by 4.5% to ₹4,490 crores in FY 2020-21, compared to ₹4,295 crores in FY 2019-20. This is mainly due to increase in average loan book and upfront recognition of excess interest spread on the direct assignment transaction undertaken during FY 2020-21.

The revenue of our Jaguar Land Rover business decreased by 6.8% to ₹1,93,823 crores in FY 2020-21 from ₹2,08,040 crores in FY 2019-20. This was partially offset by a favorable translation of ₹14,994 crores from GBP to Indian rupees in FY 2020-21. Excluding currency translation, the revenue of Jaguar Land Rover decreased by 14.2% to GB£19,731 million in FY 2020-21 from GB£22,984 million in FY 2019-20. Jaguar Land Rover wholesale volumes (excluding China joint venture) declined across all key regions in FY 2020-21, down 27.0% year on year compared to FY 2019-20, except in China where wholesales grew 23.1% year-on-year. The reduction in revenue was much lower than the decline in wholesales, reflecting the strong favorable sales mix, higher average revenue per vehicle and much lower incentive spending during the year. Jaguar brand vehicles sales were 67,333 units in FY 2020-21 from 1,25,820 units in FY 2019-20, a decrease of 46.5%, and Land Rover vehicles sales from 3,50,132 units in FY 2019-20 to 2,80,299 units in FY 2020-21, a decrease of 19.9% (volumes excluding the China Joint Venture).

Revenue from other operations (before inter-segment eliminations) decreased by 14.3% to ₹2,612 crores in FY 2020-21 compared to ₹3,047 crores in FY 2019-20. This is mainly on account of decrease in revenue of Tata Technologies due to the COVID-19 pandemic.

Cost and Expenses

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

Material costs decreased by 5.3% to ₹1,58,292 crores in FY 2020-21 from ₹1,67,131 crores in FY 2019-20, in line with reduction in revenue. As a percentage of revenue material costs are 63.4% in FY 2020-21, compared to 64.0% in FY 2019-20.

Material costs for Tata Commercial Vehicles and Tata Passenger Vehicles increased by 9.5% to ₹37,603 crores in FY 2020-21 from ₹34,353 crores in FY 2019-20, due to increased volumes. The material costs as a percentage of total revenue increased to 75.6% in FY 2020-21, compared to 73.4% in FY 2019-20, primarily due to a change in product mix and increase in commodity prices specially steel and other precious metal.

For our India operations, material costs of Passenger Cars segment increased to ₹5,274 crores in FY 2020-21, compared to ₹2,471 crores in FY 2019-20, electric vehicles increased to ₹504 crores in FY 2020-21, compared to ₹142 crores in FY 2019-20 and Utility vehicles increased by 57.3% to ₹5,271 crores in FY 2020-21, compared to ₹3,354 crores in FY 2019-20. The increase in material cost is mainly due to increased sales volumes and increase price under BS VI. Material costs for ILCVs category increased by 15.4% to ₹3,119 crores in FY 2020-21, compared to ₹2,702 crores in FY 2019-20 and for SCVs and Pickups increased by 33.0% to ₹3,917 crores in FY 2020-21, compared to ₹2,946 crores in FY 2019-20 mainly due to increase in volumes and increase in commodity prices. Material costs for MHCVs category decreased by 4.7% to ₹10,191 crores in FY 2020-21, compared to ₹10,688 crores in FY 2019-20 and for CV Passenger Vehicles category substantially decreased to ₹828 crores in FY 2020-21, compared to ₹3,222 crores in FY 2019-20 mainly due to decrease in volumes which was partially offset by increase in commodity prices. The material costs as a percentage of revenue increased to 77.4% in FY 2020-21, compared to 75.5% in FY 2019-20.

Material costs increased by 8.2% to ₹2,319 crores in FY 2020-21, compared to ₹2,144 crores in FY 2019-20 for TDCV, primarily due to higher volumes, particularly in the domestic (South Korea) market. As a percentage of total revenue, material cost increased to 69.9% in FY 2020-21, compared to 68.1% in FY 2019-20, primarily due to product mix (introduction of LCVs).

At our Jaguar Land Rover operations, material costs in FY 2020-21 decreased by 9.1% to ₹1,20,335 crores, from ₹1,32,408 crores in FY 2019-20. The decrease was partially offset by an unfavourable currency translation from GBP to Indian rupees of ₹9,102 crores. Excluding currency translation, material costs attributable to our Jaguar Land Rover operations decreased by 16.0% to GB£12,335 million in FY 2020-21 from GB£14,684 million in FY 2019-20, mainly due to a 27.0% decrease in sales volume and change in product mix. Material costs at our Jaguar Land Rover operations as a percentage of revenue decreased to 62.5% in FY 2020-21, from 63.6% in FY 2019-20 (in GBP terms).

Employee Costs

Our employee costs decreased by 9.2% in FY 2020-21 to ₹27,648 crores from ₹30,439 crores in FY 2019-20, including the foreign currency translation impact from GBP to Indian rupees as discussed below.

Our permanent employee headcount decreased by 4.6% as at March 31, 2021 to 75,278 employees from 78,906 employees as at March 31, 2020, primarily due to voluntary early separations that commenced in third quarter of FY 2020-21 at Tata Motors and Jaguar Land Rover and in FY 2019-20 at Tata Daewoo in FY 2019-20. The average temporary headcount has increased to 28,291 employees in FY 2020-21 from 19,169 employees in FY 2019-20, due to increase in productions, mainly passenger vehicles.

The employee costs for Tata Commercial Vehicles and Tata Passenger Vehicles decreased by 4.3% to ₹5,517 crores in FY 2020-21 from ₹5,767 crores in FY 2019-20. For our India operations, employee costs decreased by 3.6% to ₹4,632 crores in FY 2020-21 from ₹4,807 crores in FY 2019-20, mainly due to reduction in permanent employee headcount, reduction in staff welfare expenses due to nationwide lockdown in Q1 and lower production in first quarter of FY 2020-21 at TML. The permanent headcount decreased by 4.4% as at March 31, 2021 to 37,301 employees from 39,012 employees as at March 31, 2020 mainly due to voluntary early separations commenced in third quarter of FY 2020-21 at Tata Motors. Employee cost at Tata Motors Limited, the parent company, decreased by 3.9% to ₹4,213 crores in FY 2020-21, compared to ₹4,384 crores in FY 2019-20. The employee cost as a percentage of revenue decreased to 9.0% in FY 2020-21 from 10.0% in FY 2019-20, mainly due to increase in revenue.

Employee costs at TDCV were decreased to ₹687 crores in FY 2020-21, compared to ₹759 crores in FY 2019-20 primarily due to abolishment of certain overtime and voluntary early separation that was given during FY 2020-21.

The employee costs at Jaguar Land Rover decreased by 10.1% to ₹20,873 crores (GB£2,141 million) in FY 2020-21 from ₹23,206 crores (GB£2,568 million) in FY 2019-20, primarily due to average headcount reduction of 5.8% (FY21 average 37,500 vs FY 20 average 39,800) and furlough grant of ₹1,824 crores (GB£188m) received under the UK governments Coronavirus Job Retention Scheme. This decrease was partially offset by an unfavourable foreign currency translation impact from GBP to Indian rupees of ₹1,527 crores. The employee costs as a percentage of revenue decreased to 10.9% in FY 2020-21 from 11.2% in FY 2019-20 (in GBP terms).

Product development/Engineering expenses

Product development/Engineering expenses represent research costs and costs pertaining to minor product enhancements, refreshes, and upgrades to existing vehicle models. These represented 2.1% and 1.6% of total revenues ₹5,227 crores and ₹4,188 crores for FY 2020-21 and FY 2019-20, respectively.

Other Expenses

Other expenses decreased by 28.3% to ₹40,922 crores in FY 2020-21 from ₹57,087 crores in FY 2019-20. There was an unfavourable foreign currency translation of GBP to Indian rupees of ₹2,493 crores. As a percentage of total revenues, these expenses decreased to 16.4% in FY 2020-21 from 21.9% in FY 2019-20. The major components of expenses are as follows:

	FY 2020-21	FY 2019-20	% Change	Percentage of Total Revenue	
	(₹ In crores)			FY 2020-21	FY 2019-20
Freight and transportation expenses	5,716	6,484	(11.8)	2.3	2.5
Works operation and other expenses	14,230	17,847	(20.3)	5.7	6.8
Publicity	4,385	7,614	(42.4)	1.8	2.9
Allowance for trade and other receivables and finance receivables	979	763	28.3	0.4	0.3
Warranty and product liability expenses	7,609	10,885	(30.1)	3.0	4.2
Processing charges	965	1,070	(9.8)	0.4	0.4
Stores, spare parts, and tools consumed	1,279	1,501	(14.8)	0.5	0.6
Power and fuel	1,113	1,265	(12.0)	0.4	0.5
Information technology/computer expenses	2,720	2,372	14.7	1.1	0.9
Engineering expenses	3,308	6,598	(49.9)	1.3	2.5
MTM (gain)/loss on commodity derivatives	(1,382)	688	300.9	(0.5)	0.3
Total	**40,922**	**57,087**	(28.3)	**16.4**	21.9

1. Freight and transportation expenses decreased by 11.8% to ₹5,716 crores in FY 2020-21. This is partially offset by an unfavourable currency translation of ₹370 crores from GBP to INR. At Jaguar Land Rover freight and transportation expenses decreased by 18.3% from GB£611 million in FY 2019-20 to GB£499 million in FY 2020-21, mainly due to lower sales volumes. At Tata Motors standalone level, expenses decreased by 26.2% from ₹1,066 crores in FY 2019-20 to ₹787 crores in FY 2020-21 on account of lower production, mainly for commercial vehicles in first quarter of FY 2020-21 due to nationwide lockdown.

2. Our works operation and other expenses represented 5.7% and 6.8% of total revenue in FY 2020-21 and FY 2019-20, respectively. Other expenses mainly relate to volume-related expenses at Jaguar Land Rover and Tata Motors Limited. On absolute terms, the expenses decreased to ₹14,230 crores in FY 2020-21 from ₹17,847 crores in FY 2019-20, mainly on account of miscellaneous contract job/outsourcing expenses decreased due to the COVID-19 pandemic lockdown.

3. Publicity expenses were 1.8% and 2.9% of our total revenues in FY 2020-21 and FY 2019-20, respectively. The publicity expenses at Jaguar Land Rover decreased to GB£397 million (2.0% of the revenue) in FY 2020-21, compared to GB£733 million (3.2% of revenue) in FY 2019-20. Marketing activity was limited early in the year due to the ongoing impact of the COVID-19 pandemic, though routine product and brand campaigns increased expenditure through to the end of March 31, 2021, particularly in China, US, and UK. In addition to routine product and brand campaigns, we incurred expenses relating to new product introduction campaigns in FY 2020-21, mainly the new Land Rover Defender at Jaguar Land Rover and the new Safari at Tata Motors India operations.

4. The allowances for finance receivables related to Vehicle Financing segment. These mainly reflect provisions for the impairment of vehicle loans of ₹958 crores for FY 2020-21, compared to ₹660 crores in FY 2019-20. The increase was mainly on account of additional provisions carried on account of uncertainty involved due to the second wave of the COVID-19 pandemic. The allowances for trade receivables were ₹21 crores in FY 2020-21, compared to ₹104 crores in FY 2019-20, due to better collections.

5. Warranty and product liability expenses represented 3.0% and 4.2% of our total revenues in FY 2020-21 and FY 2019-20, respectively. The warranty expenses at Jaguar Land Rover decreased to GB£706 million (3.6% of the revenue) in FY 2020-21, compared to GB£1,131 million (4.9% of revenue) in FY 2019-20, mainly due to increased retailer guidance, guided diagnostics enhancement, proactive issue detection, prioritisation and resolution coming from charge+ initiatives, significant quality improvements in vehicles and the implementation of other business enhancement activities. For Tata Motors' Indian operations, these represent 0.9% and 1.2% of the revenue for FY 2020-21 and FY 2019-20, respectively, due to quality improvements and product mix.

6. Engineering expenses decreased by 49.9 % to ₹3,308 crores in FY 2020-21, compared to ₹6,598 crores in FY 2019-20. These expenses represents 1.3% and 2.5% of our total revenues in FY 2020-21 and FY 2019-20, respectively and are attributable mainly to decreased expenditure at Jaguar Land Rover. A significant portion of these costs are capitalized and shown under the line item "expenditure capitalized" discussed below.

7. There has been MTM gain on commodity derivatives of ₹1,382 crores in FY 2020-21, compared to loss of ₹688 crores in FY 2019-20.

Expenditure capitalized

This represents employee costs, stores and other manufacturing supplies and other work expenses incurred mainly toward product development projects. Considering the nature of our industry, we continually invest in the development of new products to address safety, emission, and other regulatory standards. The expenditure capitalized decreased by 26.6% to ₹12,849 crores in FY 2020-21 from ₹17,503 crores in FY 2019-20. The decrease includes favourable foreign currency translation impact from GBP to Indian rupees of ₹852 crores pertaining to Jaguar Land Rover.

Other income

There was a net gain of ₹2,643 crores in FY 2020-21, compared to ₹2,973 crores in FY 2019-20, representing decrease of 11.1%.

- Interest income decreased to ₹493 crores in FY 2020-21, compared to ₹1,170 crores in FY 2019-20, mainly decreased short term fixed deposit at both Tata Motors Limited and Jaguar Land Rover.

Further, at Tata Motors Limited, most of the dealers were Cash and carry, reducing the credit period.

- Incentive from government has marginally decreased to ₹1,918 crore in FY 2020-21, compared to ₹1,984 crores in FY 2019-20. Government incentive includes exports and other incentives of ₹548 crores and ₹1,370 crores received by foreign subsidiaries on Tax credit on qualifying expenditure for research and development in FY 2020-21.
- MTM gain on investments fair valued through profit or loss of ₹20 crores in FY 2020-21, compared to loss of ₹389 crores in FY 2019-20, loss in FY 2019-20 was primarily driven by fair value reduction of Lyft investment at Jaguar Land Rover.
- Profit on sale of investments measured at fair value through profit or loss is ₹194 crores in FY 2020-21, compared to ₹187 crores in FY 2019-20.

Depreciation and Amortization

Our depreciation and amortization expenses increased by 9.9% in FY 2020-21, the breakdown of which is as follows:

(₹ in crores)

	FY 2020-21	FY 2019-20
Depreciation	10,873	10,610
Amortization	11,502	9,699
Amortization of Leased Assets (RTU)	1,172	1,116
Total	**23,547**	**21,425**

The increase in depreciation and amortization expenses is mainly due to an unfavourable foreign currency translation from GBP to Indian rupees of ₹1,420 crores. This is further increased due to Job 1 programs in the year, Velar and 20MY Range Rover & Range Rover sport at Jaguar Land Rover and at TML by ₹203 crores due to Capitalization of Altroz and BSVI projects.

Finance Cost (interest expenses)

Our interest expense (net of interest capitalized) increased by 11.8% to ₹8,097 crores in FY 2020-21 from ₹7,243 crores in FY 2019-20. As a percentage of total revenues, interest expense represented 3.2% and 2.8% in FY 2020-21 and FY 2019-20, respectively. The interest expense (net) for Jaguar Land Rover was GB£251 million (₹2,425 crores) in FY 2020-21, compared to GB£209 million (₹1,880 crores) in FY 2019-20. The increase in interest expense primarily reflects interest accrued on increased indebtedness which included the RMB5 billion China loan completed in June 2020, the US$700 million 7.750% 5-year senior notes issued in October 2020 and the US$650 million 5.875% 7-year senior notes issued in December 2020. For Tata Commercial Vehicles and Tata Passenger Vehicles, interest expense increased by 5.4% to ₹5,669 crores in FY 2020-21 from ₹5,379 crores in FY 2019-20, mainly due to higher borrowings and lower interest capitalisation and warranty discounting. For the Vehicle Financing business, interest expense decreased by 7.4% to ₹2,851 crores in FY 2020-21 from ₹3,079 crores in FY 2019-20, mainly due to lower cost of borrowings.

Foreign exchange (gain)/loss (net)

We had a net foreign exchange gain of ₹1,732 crores in FY 2020-21, compared to loss of ₹1,739 crores in FY 2019-20.

- Jaguar Land Rover recorded an exchange gain of ₹1,787 crores in FY 2020-21, compared to loss of ₹1,252 crores in FY 2019-20. There was a net exchange gain on senior notes and other borrowings of GB£314 million in FY 2020-21, compared to a loss of GB£135 million in FY 2019-20, due to GBP strengthening against USD and EUR in FY 2020-21. There is a gain of GB£182 million in FY 2020-21, compared to a loss of GB£137 million in FY 2019-20, due to fluctuations in foreign currency exchange rates on derivatives contracts that are not hedge accounted and natural hedges of debt, mainly reflecting a stronger U.S. dollar and Euro. Furthermore, this also includes a loss on revaluation of other assets and liabilities of GB£2 million in FY 2020-21, compared to a loss of GB£23 million in FY 2019-20.
- For India operations, we incurred a net exchange loss of ₹25 crores in FY 2020-21, compared to ₹237 crores in FY 2019-20, mainly attributable to foreign currency denominated borrowings.
- There was a net exchange loss on revaluation of foreign currency loans at our subsidiary TML Holdings Pte. Limited of ₹25 crores in FY 2020-21, compared to ₹253 crores in FY 2019-20.

Exceptional Item (gain)/loss (net)

(₹ in crores)

	FY 2020-21	FY 2019-20
Employee separation cost	460	436
Defined benefit pension plan amendment past service cost	85	-
Write off/provision (reversal) for tangible/intangible assets (including under development)	114	(73)
Charge associated with change in JLR Strategy	14,994	-
Impairment losses/(Reversal) in Passenger Vehicle Business	(1,182)	1,419
Provision/(Reversal) for Onerous Contracts and related supplier claims	(663)	777
Provision for costs of closure of operation of a subsidiary	(47)	(66)
Impairment in subsidiaries	-	353
Provision for loan given to a Joint venture	-	25
Total	**13,761**	**2,871**

Employee separation cost

During the year ended March 31, 2021, Tata Motors Limited, Jaguar Land Rover and Tata Motors European Technical Centre PLC (TMETC) had announced a voluntary redundancy programme and accordingly had a charge of ₹1,404 crores. This is partially offset by Tata Daewoo Commercial Vehicles has taken a reversal towards employee separation cost of ₹54 crores during FY 2020-21, which was provided in previous year.

Defined benefit pension plan amendment past service cost

Jaguar Land Rover had recognised a past service cost due to the requirement to equalise male and female members' benefits for the inequalities within guaranteed minimum pension ('GMP') earned in the year ended March 31, 2019. This assessment has been updated during the year ended March 31, 2021 based on new information and accordingly, a charge of ₹85 crores (GBP 9 million) has been recognised.

Write off/provision (reversal) for tangible/intangible assets (including under development

Exceptional amount of ₹114 crores and ₹(73) crores is recognised during the year ended March 31, 2021 and 2020, respectively, related to write off/(reversal) of provision for impairment (net) of certain property, plant and equipment, capital work-in-progress and intangibles under development.

Charge associated with change in JLR Strategy

Project Reimagine was approved by the JLR board on February 11, 2021, which targets the production of more sustainable and fully electric luxury vehicles including the goal of having a fully electric fleet of luxury vehicles by the end of the decade and 100% of sales from pure battery electric vehicles by 2036, as well as striving towards achieving net zero carbon emissions across its supply chain, among other environmentally driven strategies by 2039. This revised strategy, particularly the cancellation of the MLA-Mid architecture, resulted in a charge being recognised comprising the following: a) Asset write-downs of GB£952 million (₹9,606 crores) in relation to models cancelled. b) Restructuring costs of GB£534 million (₹5,388 crores) includes costs of GB£526 million (₹5,312 crores) accruals to settle legal obligations on work performed to date and provisions for redundancies and other third-party obligations and defined benefit past service cost of GB£8 million (₹76 crores).

Impairment losses/(Reversal) in Passenger Vehicle Business

As at March 31, 2020, the Company assessed the recoverable value of Passenger vehicle business of Tata Motors Limited, which represent a single cash-generating unit (CGU), due to refresh of its strategy in response to change in market conditions on account of various factors (economic environment, demand forecasts etc.) including the COVID 19 pandemic. The recoverable value determined by Fair Value less Cost of Disposal ('FVLCD') was lower than the carrying value of the CGU and this resulted in an impairment charge of ₹1,419 crores for FY 2019-20. As at March 31, 2021, the Company identified certain triggers for reversal of the previously recorded impairment based on both external and internal indicators. Accordingly, the Company reassessed its estimates and determined the recoverable value for this CGU considering the significant improvement in absolute and relative performance and outlook of the business when compared with the assumed performance at the time when the impairment loss was recorded. Based on this reassessment, the Company has reversed the initially recognised impairment for this CGU.

Provision for Onerous Contracts and related supplier claims

During the year ended March 31, 2020, a provision had been recognized for certain supplier contracts ranging from five to ten years, which had become onerous, as the Company estimated that it will procure lower quantities than committed and the costs will exceed the future economic benefit. As at March 31, 2021, the Company has reassessed the onerous provision created and based on the revised volume outlook a reversal of provision aggregating ₹777 crores have been accounted. During the year the Company has also made provision for estimated supplier claims of ₹114 crores, which are under negotiations with supplier.

Provision for cost of closure of operation of a subsidiary

On July 31, 2018, we decided to cease current operations of Tata Motors (Thailand) Ltd. Accordingly, the relevant restructuring cost of ₹381 crores have been accounted during FY 2018-19. There is a reversal of restructuring cost of ₹52 crores during FY 2020-21, compared to ₹66 crores in FY 2019-20, basis actual cash outflow compared to estimates done earlier.

Provision for impairment in subsidiaries

As a result of change in market conditions, the Company performed an impairment assessment for assets forming part of wholly owned subsidiaries Tata Motors European Technical Centre PLC (TMETC) and Trilix S.r.l (Trilix). The recoverable amount of these assets was estimated to be lower than their carrying value and this resulted in an impairment charge of ₹297 crores and ₹56 crores in TMETC and Trilix, respectively during the year ended March 31, 2020.

Provision for loan given to Joint venture

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

Tax expenses / (credit)

Our income tax expenses is ₹2,542 crores in FY 2020-21, compared to ₹395 crores in FY 2019-20, resulting in consolidated effective tax rates of 24.3% and 3.7%, for FY 2020-21 and FY 2019-20, respectively.

Tax rates applicable to individual entities decreased to 18.0% for FY 2020-21, compared to 25.7% in FY 2019-20, mainly on account of few subsidiaries and Joint Operations opting for lower tax regime.

There is significant increase in tax expense as referred to above due to the following reasons:

- During the year FY 2020-21, deferred tax assets not recognised of ₹3,682 crores (FY 2019-20: ₹3,192 crores) mainly comprises of Jaguar Land Rover ₹2,719 crores (FY 2019-20 : ₹75 crores) and Tata Motors Ltd ₹788 crores (FY 2019-20 : ₹2,922 crores) due to uncertainty of future taxable profits. Further, the Minimum Alternate Tax credit of ₹72 crores (FY 2019-20: ₹22 crores) has not been recognised in the case of few Subsidiaries and Joint Operations due to uncertainty of realization.
- During the year, there is tax charge on Undistributed Earnings of Subsidiaries amounting to ₹311 crores as compared to tax credits of ₹86 crores arising out of losses in FY 2019-20.
- Additional cost in deduction for patent, research and product development cost of ₹2 crores in FY 2020-21, compared to additional deduction of ₹282 crores in FY 2019-20, was mainly due to non-availability of weighted deduction u/s 35(2AB) of the Act on R&D expenditure with effect from April 1, 2020, applicable for FY 2020-21, which was being claimed in Tata Motors Limited on a standalone basis.
- During the year, Jaguar Land Rover has written down its tangible assets under construction of ₹430 crores, which does not qualify for tax relief.

Profit/(loss) after tax

Our consolidated net loss in FY 2020-21, excluding shares of non-controlling interests, is ₹13,451 crores, increased from net loss of ₹12,071 crores in FY 2019-20. However, profit before interest and tax of ₹7,144 crore in FY 2020-21, compared to loss before interest and tax ₹555 crores in FY 2019-20. This was mainly the result of the following factors:

- Earnings before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Jaguar Land Rover of ₹7,691 crores in FY 2020-21, compared to profit of ₹594 crores in FY 2019-20. In FY 2020-21, Jaguar Land Rover charged ₹15,350 crores as exceptional item of which ₹14,994 crores under Reimagine strategy in fourth quarter.
- Earnings before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Vehicle Financing amounted to ₹2,794 crores in FY 2020-21, compared to ₹2,855 crores in FY 2019-20.
- Loss before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Tata Commercial Vehicles amounted to ₹305 crores in FY 2020-21, compared to earnings of ₹368 crores in FY 2019-20, primarily due to lower volumes and product mix.
- Loss before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Tata Passenger Vehicles amounted to ₹1,564 crores in FY 2020-21, compared to ₹2,868 crores in FY 2019-20, due to increased sales volume in cars and Utility Vehicle segment.

Share of profit/(loss) of equity-accounted investees and non-controlling interests in consolidated subsidiaries, net of tax

In FY 2020-21, our share of equity-accounted investees reflected a loss of ₹379 crores, compared to ₹1,000 crores in FY 2019-20. Our share of profit (including other adjustments) in the China Joint Venture in FY 2020-21 was loss of ₹363 crores, compared to loss of ₹1,016 crores in FY 2019-20. The decrease in losses was mainly due to increase in sales volumes and better business performance.

The share of non-controlling interests in consolidated subsidiaries was decreased to ₹56 crores in FY 2020-21 from ₹96 crores in FY 2019-20.

B.BALANCE SHEET

Below is a discussion of major items and variations in our consolidated balance sheet as at March 31, 2021 and 2020, included elsewhere in this annual report.

₹ in crores

	As at March 31, 2021	As at March 31, 2020	Change	Translation of JLR	Net Change
ASSETS					
(a) Property, plant and equipment, right of use and intangible assets	1,58,868	1,61,952	(3,085)	9,233	(12,318)
(b) Goodwill	804	777	27	-	27
(c) Investment in equity accounted investees	4,201	4,419	(218)	229	(447)
(d) Financial assets	1,28,648	98,922	29,726	4,688	25,038
(e) Deferred tax assets (net)	4,520	5,458	(938)	287	(1,225)
(f) Current tax assets (net)	1,869	1,295	574	58	516
(g) Other assets	7,907	11,647	(3,740)	349	(4,089)
(h) Inventories	36,089	37,457	(1,368)	2,185	(3,553)
(i) Assets classified as held-for-sale	221	194	27	-	27
TOTAL ASSETS	**3,43,126**	**3,22,121**	**21,005**	**17,029**	**3,976**
EQUITY AND LIABILITIES					
EQUITY	56,820	63,892	(7,072)	3,805	(10,877)
LIABILITIES					
(a) Financial liabilities:	2,34,453	2,12,456	21,997	10,019	11,978
(b) Provisions	26,455	25,066	1,389	1,699	(310)
(c) Deferred tax liabilities (net)	1,556	1,942	(386)	84	(470)
(d) Other liabilities	22,756	17,725	5,031	1,349	3,682
(d) Current tax liabilities (net)	1,086	1,040	46	73	(27)
TOTAL LIABILITIES	**2,86,306**	**2,58,229**	**28,077**	**13,224**	**14,853**
TOTAL EQUITY AND LIABILITIES	**3,43,126**	**3,22,121**	**21,005**	**17,029**	**3,976**

Our total assets were ₹3,43,126 crores and ₹3,22,121 crores as at March 31, 2021 and 2020, respectively. The increase by 6.5% in assets as at March 31, 2021 considers a favourable foreign currency translation from GBP into Indian rupees as described below.

Our total current assets increased by ₹27,300 crores to ₹1,46,888 crores or 22.8% as at March 31, 2021, compared to ₹1,19,587 crores as at March 31, 2020.

Cash and cash equivalents increased by 71.7% to ₹31,700 crores as at March 31, 2021, compared to ₹18,468 crores as at March 31, 2020, which also includes a favourable foreign currency translation of ₹1,592 crores from GBP to Indian rupees. We hold cash and cash equivalents principally in Indian rupees, GBP, Chinese Renminbi, EURO and USD. Out of cash and cash equivalents as at March 31, 2021, Jaguar Land Rover held the GB£2,202 million equivalent of ₹22,190 crores, which consists of surplus cash deposits for future use.

As at March 31, 2021, we had short-term deposits of ₹14,346 crores, compared to ₹14,829 crores as of March 31, 2020, a marginal decrease of 3.3%, due to decrease in the value of deposits invested over a term of three months or longer mainly at Jaguar Land Rover.

As at March 31, 2021, we had finance receivables, including the non-current portion (net of allowances for credit losses), of ₹34,715 crores, compared to ₹31,079 crores as at March 31, 2020, an increase of 11.7%, due to lower run down of loan book on account of a moratorium in the first half of FY 2020-21 followed by a decent revival of pent-up demand in the second half of FY 2020-21. We had also extended Emergency Credit Line Guarantee Scheme loans to eligible customers which had a one-year principal repayment moratorium. Gross finance receivables were ₹35,963 crores as at March 31, 2021, compared to ₹31,730 crores as at March 31, 2020. Vehicle financing is integral to our automotive operations in India.

Trade receivables (net of allowance for doubtful receivables) were ₹12,679 crores as at March 31, 2021, representing an increase of ₹1,506 crores or 13.5% over March 31, 2020. The increase was partially due to favourable foreign currency translation of ₹624 crores from GBP to Indian rupees. Trade receivables at Tata and other brand vehicles (including vehicle finance) increased by 23.6% to ₹3,833 crores as at March 31, 2021 from ₹3,102 crores as at March 31, 2020, primarily on account of higher sales volume during the recovery phase after lockdown due to the COVID-19 pandemic. The trade receivables of Jaguar Land Rover were ₹8,501 crores as at March 31, 2021, compared to ₹7,586 crores as at March 31, 2020 and increase of 12.1%. The past dues for more than six months (gross) decreased from ₹1,744 crores as at March 31, 2020 to ₹1,679 crores as at March 31, 2021. These mainly represent dues from government-owned transport undertakings and Passenger Vehicle dealers, for which we are pursuing recovery.

As at March 31, 2021, inventories were at ₹36,089 crores, compared to ₹37,457 crores as at March 31, 2020, a decrease of 3.7%. The decrease in finished goods inventory was ₹2,319 crores from ₹29,632 crores as at March 31, 2020 to ₹27,313 crores as at March 31, 2021, mainly due to an increase in volumes at Tata Motors. This decrease was offset by a favourable currency translation of ₹2,185 crores from GBP to Indian rupees. In terms of number of days to sales, finished goods represented 42 inventory days in sales in FY 2020-21, compared to 43 inventory days in FY 2019-20.

Our investments (current and non-current investments) increased to ₹20,419 crores as at March 31, 2021 from ₹11,890 crores as at March 31, 2020, representing an increase of 71.7%. Our investments mainly comprise mutual fund of ₹19,051 crores as at March 31, 2021, compared to ₹10,862 crores as at March 31, 2020. Investments attributable to Jaguar Land Rover were ₹16,095 crores as at March 31, 2021, compared to ₹9,515 crores as at March 31, 2020, an increase of 48.2% mainly on account of mutual fund. Tata Motors Limited (Parent) on Standalone basis

has investments in mutual funds of ₹1,578 crores as at March 31, 2021, compared to ₹885 crores as at March 31, 2020.

Our other assets (current and non-current) decreased by 32.1% to ₹7,907 crores as at March 31, 2021 from ₹11,646 crores as at March 31, 2020. The decrease is mainly attributable to pension assets which was recognized in FY 2019-20 for the surplus on the UK defined benefit pension scheme at Jaguar Land Rover consequent to changes in actuarial assumptions causing the defined benefit schemes moved to a net liability position as at March 31, 2021 from net asset position as at March 31, 2020.

Our other financial assets (current and non-current) increased to ₹11,088 crores as at March 31, 2021 from ₹9,336 crores as at March 31, 2020. Derivative financial instruments (representing options and other hedging arrangements, mainly related to the Jaguar Land Rover business) increased to ₹6,113 crores as at March 31, 2021 from ₹4,682 crores as at March 31, 2020, predominantly due to the strengthening of the GBP compared to EURO and therefore the increasing fair value of derivative contracts. This increase is partially offset by decrease in recoverable from suppliers to ₹1,546 crores as at March 31, 2021 from ₹1,917 crores as at March 31, 2020.

Income tax assets (both current and non-current) increased by 44.3% to ₹1,869 crores as at March 31, 2021 from ₹1,295 crores as at March 31, 2020 mainly at Jaguar Land Rover.

Property, plants and equipment (net of depreciation) marginally increased by 2.3% from ₹77,883 crores as at March 31, 2020 to ₹79,640 crores as at March 31, 2021. The increase is partly due to a favourable foreign currency translation of ₹4,237 crores from GBP to Indian rupees. After adjusting for the foreign currency translation impact, a decrease of ₹2,480 crores is mainly including depreciation charged during the year for property, plant and equipment and lower addition during the year as compared to previous year. This decrease excluding translation is partially offset by reversal of impairment charges taken in Passenger Vehicle business at Tata Motors Limited.

Goodwill as at March 31, 2021 was ₹804 crores, compared to ₹777 crores as at March 31, 2020. The increase was attributable to a favourable translation impact pertaining to software consultancy and the services of our subsidiary, Tata Technologies Limited.

Intangible assets decreased by 7.0% from ₹69,195 crores as at March 31, 2020 to ₹64,360 crores as at March 31, 2021. This decrease is mainly due to ₹7,279 crores impairment done under the Reimagine strategy at Jaguar Land Rover business and amortization charge for the year. This decrease was partially offset by reversal of ₹545 crores impairment charges taken in Passenger Vehicle business at Tata Motors Limited and a favourable foreign currency translation of ₹4,104 crores from GBP to Indian rupees. As at March 31, 2021, there were product development projects in progress amounting to ₹12,587 crores compared to ₹27,023 crores as at March 31, 2020.

The carrying value of investments in equity-accounted investees decreased by 4.9% to ₹4,201 crores as at March 31, 2021, from ₹4,419 crores as at March 31, 2020. The value of investments in equity-accounted investees decreased mainly due to loss for the year FY 2020-21 at China Joint Venture.

A deferred tax liability (net) of ₹832 crores was recorded in our income statement and deferred tax asset of ₹280 crores in other comprehensive income which mainly includes assets of ₹1,507 crores toward post-retirement benefits and liability of ₹1,175 million toward cash flow hedges in FY 2020-21. The net deferred tax asset of ₹2,964 crores was recorded as at March 31, 2021, compared to ₹3,516 crores as at March 31, 2020.

Accounts payable (including acceptances) were ₹76,040 crores as at March 31, 2021, compared to ₹66,398 crores as at March 31, 2020, an increase of 14.5%, reflecting an increase in operations and an unfavourable foreign currency translation of ₹4,195 crores from GBP to Indian rupees.

Other financial liabilities (current and non-current) were ₹37,411 crores as at March 31, 2021, compared to ₹40,402 crores as at March 31, 2020 (net of an unfavourable currency translation impact of ₹1,441 crores), reflecting liabilities toward current maturities of long-term borrowings, vehicles sold under repurchase arrangements, derivative instruments, and interest accrued but not due on loans and lease liabilities. Liability towards current maturities of long-term borrowings increased to ₹21,129 crores as at March 31, 2021 from ₹19,132 crores as at March 31, 2020 mainly due to higher repayment of long-term borrowings falling in FY 2021-22, compared to FY 2020-21. Liability toward vehicles sold under repurchasing arrangements decreased to ₹3,623 crores as at March 31, 2021 from ₹4,483 crores as at March 31, 2020, mainly due to decrease in the repurchase business at Jaguar Land Rover and this is partially offset by an unfavourable currency translation impact of ₹260 crores. Derivative financial instruments (representing options and other hedging arrangements, mainly related to Jaguar Land Rover) decreased by 40.6% to ₹4,480 crores as at March 31, 2021 from ₹7,536 crores as at March 31, 2020.

Provisions (current and non-current) increased by 5.5% to ₹26,455 crores as at March 31, 2021 from ₹25,066 crores as at March 31, 2020. This increase is mainly due to restructuring provision of ₹1,952 crores made at Jaguar Land Rover under the Reimagine strategy towards settling legal obligations on work performed to date and other third-party obligations and an unfavourable foreign currency translation impact of ₹1,699 crores from GBP to Indian rupees. Provisions for warranties decreased by 3.6% or ₹693 crores to ₹18,604 crores as at March 31, 2021, compared to ₹19,297 crores as at March 31, 2020 mainly at Jaguar Land Rover primarily due to lower retail sales. Furthermore, provisions for residual risk for Jaguar Land Rover decreased to ₹667 crores (GB£66 million) as at March 31, 2021, compared to ₹1,637 crores (GB£175 million) as at March 31, 2020. This is driven primarily by the resilience and recovery observed in the US economy and secondary vehicle market across FY 2020-21 following the anticipated impact of the COVID-19 pandemic as at March 31, 2020, further supported by Jaguar Land Rover's wider demand-led recovery.

Other liabilities (current and non-current) increased by 28.4% to ₹22,756 crores as at March 31, 2021, compared to ₹17,725 crores as at March 31, 2020. Employee benefit obligations increased to ₹4,092 crores as at March 31, 2021, compared to ₹342 crores as at March 31, 2020, mainly pertaining to the Jaguar Land Rover pension plan, consequent to changes in actuarial assumptions causing the defined benefit schemes to move to a net liability position as at March 31, 2021 from net asset position as at March 31, 2020.

Our total debt was ₹1,35,905 crores as at March 31, 2021, compared to ₹1,18,811 crores as at March 31, 2020, an increase of 14.4%, including an unfavourable currency translation of ₹4,438 crores from GBP to Indian rupees. Short-term debt (including the current portion of long-term debt) increased to ₹42,792 crores as at March 31, 2021, compared to ₹35,495 crores as at March 31, 2020. Long-term debt (excluding the current portion) increased by 11.8% to ₹93,113 crores as at March 31, 2021 from ₹83,316 crores as at March 31, 2020. Long-term debt (including the current portion) increased by 11.5% to ₹1,14,242 crores as at March 31, 2021, compared to ₹1,02,448 crores as at March 31, 2020.

Total equity was ₹56,820 crores as at March 31, 2021 and ₹63,892 crores as at March 31, 2020, respectively.

Equity attributable to shareholders of Tata Motors Limited decreased to ₹55,247 crores as at March 31, 2021, compared to ₹63,079 crores as at March 31, 2020. This decrease is mainly due to losses of ₹13,451 crores and actuarial losses in pension reserve of ₹5,901 crores, offset by hedging reserve gain of ₹4,147 crores, currency translation reserve gain of ₹3,853 crores and securities premium of ₹2,556 crores pursuant to conversion of share warrants.

C. CASH FLOW

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

(₹ in crores)

	FY 2020-21	FY 2019-20	Change
Cash from operating activity	**29,001**	**26,633**	**2,368**
Profit/(Loss) for the year	(13,395)	(11,975)	
Adjustments for cash flow from operations	44,593	35,328	
Changes in working capital	(93)	5,065	
Direct taxes paid	(2,105)	(1,785)	
Cash used in investing activity	**(26,126)**	**(34,170)**	**8,044**
Payment for property, plant and equipment and other intangible assets (net)	(19,855)	(29,530)	
Net investments, short term deposit, margin money and loans given	(6,719)	(6,388)	
Dividend and interest received	447	1,748	
Net Cash from Financing Activities	**9,904**	**3,390**	**6,515**
Dividend Paid (including paid to minority shareholders)	(29)	(57)	
Interest paid	(8,107)	(7,518)	
Net Borrowings (net of issue expenses)	18,040	10,965	
Net increase / (decrease) in cash and cash equivalent	**12,778**	**(4,148)**	**16,926**
Cash and cash equivalent, end of the year	**31,700**	**18,468**	
Free Cash flow*	**1,452**	**(9,295)**	

*Free cash flow means cash flow from operating activities less payment for property, plant and equipment and intangible assets, add proceeds from sale of property, plant and equipment less interest paid add interest received, add dividend from equity accounted investees of core auto entities and less Investment in Equity Accounted investees of core auto entities.

Cash and cash equivalents increased by ₹13,232 crores in FY 2020-21 to ₹31,700 crores from ₹18,468 crores in FY 2019-20, including a favourable currency translation of ₹1,592 crores from GBP to Indian rupees. The increase in cash and cash equivalents (excluding currency translation) resulted from the changes to our cash flows in FY 2020-21 when compared to FY 2019-20 as described below.

Net cash provided by operating activities totalled ₹29,001 crores in FY 2020-21, an increase of ₹2,368 crores, compared to ₹26,633 crores in FY 2019-20. The net loss is ₹13,395 crores in FY 2020-21, compared to ₹11,975 crores in FY 2019-20. The cash flows from operating activities before changes in operating assets and liabilities is of ₹31,198 crores in FY 2020-21, compared to ₹23,352 crores in FY 2019-20. The changes in operating assets and liabilities resulted in a net outflow of ₹93 crores in FY 2020-21, compared to net inflow of ₹5,065 crores in FY 2019-20.

In FY 2020-21, the net outflow in vehicle finance receivables was ₹4,387 crores compared to inflow of ₹2,021 crores in FY 2019-20. For Tata Commercial Vehicles and Tata Passenger Vehicles there was an inflow of ₹4,226 crores in FY 2020-21 on account of changes in operating assets and liabilities, compared to ₹678 crores in FY 2019-20, which was mainly attributable to an increase in trade payables and acceptances. For Jaguar Land Rover brand vehicles, there was a net outflow of cash on account of changes in operating assets and liabilities accounting to ₹527 crores in FY 2020-21, compared to inflows of ₹2,462 crores in FY 2019-20. This is mainly due to provisions in FY 2020-21 compared to FY 2019-20.

Income tax paid has increased to ₹2,105 crores in FY 2020-21, compared to ₹1,785 crores in FY 2019-20, which was primarily attributable to tax payments by Jaguar Land Rover's foreign subsidiaries in their respective tax jurisdictions.

Net cash used in investing activities totalled of ₹26,126 crores in FY 2020-21, compared to ₹34,170 crores for FY 2019-20, a decrease of ₹8,044 crores or 23.5%, mainly due to decrease in cash outflows on capital expenditure, both at Jaguar Land Rover and Tata Motors Limited.

The following table sets forth a summary of our cash flow on property, plants and equipment and intangible assets for the periods indicated.

(₹ in crores)

	FY 2020-21	FY 2019-20
Tata Commercial Vehicles and Tata Passenger Vehicles	1,719	4,332
Jaguar Land Rover	18,123	25,139

Jaguar Land Rover achieved positive free cash flow of GB£185 million in FY 2020-21, after total investment spending of £2.3 billion. This is a significant improvement on the negative GB£759 million free cash flow in the prior year. In FY 2020-21, payments for capital expenditures at Jaguar Land Rover decreased by 27.9% to ₹18,123 crores from ₹25,139 crores in FY 2019-20. Investment spending in FY 2020-21 was GB£2.3 billion (11.9% of revenue), significantly lower than the GB£3.3 billion (14.3% of revenue) in the prior fiscal year, due to continued Charge+ savings. Of the GB£2.3 billion investment spending, £489 million was expensed through profit and loss statement and the remaining GB£1.9 billion was capitalised. Total research and development accounted for GB£1.2 billion (51.9%) of investment spending, while tangible and other intangible assets accounted for the remaining GB£1.1 billion (48.1%). Further, in FY 2020-21, payments for capital expenditures at Tata Commercial Vehicles and Tata Passenger Vehicles decreased to ₹1,719 crores from ₹4,332 crores in FY 2019-20. These capital expenditures are related to new products under development.

Our net investment in short-term deposit margin moneys and loans resulted in an outflow of ₹6,719 crores in FY 2020-21, compared to ₹6,389 crores in FY 2019-20. This is mainly due to higher investment of in FY 2020-21 towards mutual fund compared to FY 2019-20 which is partially offset by higher realisation of fixed deposit in FY 2020-21, compared to FY 2019-20.

Net cash inflow from financing activities totalled ₹9,904 crores in FY 2020-21, compared to ₹3,390 crores in FY 2019-20. Net Borrowings (net of issue expenses) done during FY 2020-21 of ₹18,057 crores, compared to ₹10,965 crores during FY 20219-20. For Tata Commercial Vehicles and Tata Passenger Vehicles excluding vehicle finance, the short-term debt (net) decreased by ₹3,864 crores, whereas long-term debt (net) increased by ₹2,054 crores, due to additional borrowings. There was an increase in debt (short-term and long-term) of ₹7,188 crores in FY 2020-21 at Vehicle

Financing, compared to decrease of ₹3,271 crores in FY 2019-20. For Jaguar Land Rover, short-term debt (excluding lease liabilities) increased to GB£1,206 million in FY 2020-21 (GB£526 million in FY 2019-20), primarily because of the CNY 5 billion China loan completed in June 2020. Long-term debt (excluding lease liabilities) increased to GB£4,972 million in FY 2019-20 (GB£4,817 million in FY 2019-20), including the new US$700 million 5 year and US$650 million 7 year unsecured bonds issued in third quarter of FY 2020-21, partially offset by a GB£300 million bond which matured in January 2021 and GB£125 million of the UKEF backed loan which amortised over the course of the year as well as a favourable revaluation of foreign currency debt as a result of the significantly stronger Pound at March 31, 2021 compared to March 31, 2020. Lease obligations totalled GB£519 million in FY 2020-21 compared to GB£541 million in FY 2019-20.

Interest paid in FY 2020-21 was ₹8,123 crores, compared to ₹7,518 crores in FY 2019-20. For Jaguar Land Rover, interest paid was ₹2,493 crores in FY 2020-21, compared to ₹1,863 crores in FY 2019-20 primarily because of the higher indebtedness as well as lower yield on cash balances, resulting from central banks interest rate cuts to help tackle the economic effects of COVID-19 pandemic. For Tata Commercial Vehicles and Tata Passenger Vehicles, interest paid was ₹2,735 crores in FY 2020-21, compared to ₹2,568 crores in FY 2019-20. For Vehicle Financing, interest paid was ₹2,892 crores in FY 2020-21, compared to ₹3,085 crores in FY 2019-20.

D. KEY FINANCIAL RATIOS

The details of significant changes (25% or more) in the key financial ratios in FY 2020-21 compared to FY 2019-20 is as follows:

	FY 2020-21	FY 2019-20	Formula used	Reason for change
Interest coverage ratio (in times)	1.10	0.04	EBIT / Interest expense	Due to higher Earnings before other income (excluding Incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax at both Tata motors and Jaguar Land Rover, in FY 2020-21 compare to FY 2019-20, the interest coverage ratio is high.
Debt Equity ratio	2.46	1.88	Debt (excluding leases)/ shareholders' equity	The consolidated gross debt has increased by 14.4% in FY 2020-21 compared to FY 2019-20. The net debt (net of cash and cash equivalent including bank balances, mutual fund and deposit with financial institution - current) equity ratio is increased by 7.3% to 1.25 as at March 31, 2021 compared to 1.16 as at March 31, 2020. Equity attributable to shareholders of Tata Motors Limited decreased to ₹55,247 crores as at March 31, 2021, compared to ₹63,079 crores as at March 31, 2020. This decrease is mainly due to losses of ₹13,451 crores and actuarial losses in pension reserve of ₹5,901 crores, offset by hedging reserve gain of ₹4,147 crores, currency translation reserve gain of ₹3,853 crores and securities premium of ₹2,556 crores pursuant to conversion of share warrants.

E. LIQUIDITY AND CAPITAL RESOURCES

We finance our capital expenditures and research and development investments through cash generated from operations, cash and cash equivalents, and debt and equity funding. We also raise funds through the sale of investments, including divestments in stakes of subsidiaries on a selective basis.

The key element of the financing strategy is maintaining a strong financial position that allows us to fund our capital expenditures and research and development investments efficiently even if earnings are subject to short-term fluctuations. Our treasury policies for liquidity and capital resources are appropriate for automotive operations and are set through business specific sensitive analysis and by benchmarking our competitors. These are reviewed periodically by the Board.

(i) Principal Sources of Funding Liquidity

Our funding requirements are met through a mixture of equity, convertible or non-convertible debt securities and other long- and short-term borrowings. We access funds from debt markets through commercial paper programs, convertible and non-convertible debentures, and other debt instruments. We regularly monitor funding options available in the debt and equity capital markets with a view to maintain financial flexibility.

See Note 41 to our audited consolidated financial statements included elsewhere in this annual report for additional disclosures on financial instruments related to liquidity, foreign exchange and interest rate exposures and use of derivatives for risk management purposes.

The following table sets forth our short- and long-term debt position:

(₹ in crores)

	As of March 31, 2021	As of March 31, 2020
Short-term debt (excluding current portion of long-term debt)	21,663	16,363
Current portion of long-term debt	21,129	19,132
Long-term debt net of current portion	93,113	83,316
Total Debt	**1,35,905**	**1,18,811**

During FY 2020-21 and FY 2019-20, the effective weighted average interest rate on our long-term debt was 5.1% and 5.9% per annum, respectively. The following table sets forth a summary of long-term debt (including current maturities of long-term borrowings) outstanding as of March 31, 2021.

Details of Long-term debt	Currency	Initial Principal amounts (millions)	Redeemable on	Interest Rate	Amount repaid during FY 2020-21 (₹ crores)	Outstanding (₹ crores)	
						31-Mar-21	31-Mar-20
Non-convertible debentures	₹			Various	3,500	13,740	11,899
Collateralized debt obligations	₹			Various	1,965	2,974	4,230
Buyers credit from bank	Various			Various	1,100	3,375	3,975
Loan from banks / financial institutions	Various			Various	7,497	40,958	37,051
Compulsory convertible Preference shares	₹			Various	458	337	789
Senior Notes							
Tata Motors Limited	US$	250	due 2024	5.750%		1,816	1,862
Tata Motors Limited	US$	300	due 2025	5.875%		2,181	2,270
Jaguar Land Rover	US$	500	due 2023	5.625%		3,646	3,775
Jaguar Land Rover	GB£	400	due 2023	3.875%		4,019	3,726
Jaguar Land Rover	GB£	400	due 2022	5.000%		4,023	3,725
Jaguar Land Rover	US$	500	due 2027	4.500%		3,876	4,235
TML Holdings Pte. Limited	US$	300	due 2021	5.750%		2,193	2,268
TML Holdings Pte. Limited	GB£	98	due 2023	4.000%		958	-
TML Holdings Pte. Limited	US$	300	due 2024	5.500%		2,176	-
Tata Motors Limited	US$	263	due 2020	4.625%	1,986	-	1,986
Jaguar Land Rover	US$	700	due 2025	7.750%		5,073	-
Jaguar Land Rover	US$	650	due 2028	5.875%		4,708	-
Jaguar Land Rover	EU€	500	due 2024	5.875%		4,266	4,139
Jaguar Land Rover	GB£	300	due 2021	2.750%	2,986	-	2,800
Jaguar Land Rover	EU€	650	due 2024	2.200%		5,563	5,398
Jaguar Land Rover	EU€	500	due 2026	4.500%		4,021	4,101
Jaguar Land Rover	EU€	500	due 2026	6.875%		4,339	4,219
Total Long-term debt					**19,492**	**1,14,242**	**1,02,448**

The following table sets forth a summary of the maturity profile for our outstanding long-term debt obligations (including current maturities of long-term borrowings) as of March 31, 2021.

Payments Due by Period[1, 2]	₹ in crores
Within one year	27,057
After one year and up to two years	27,800
After two year and up to five years	56,341
After five year and up to ten years	16,445
Total	**1,27,643**

1. Including interest.
2. As at March 31, 2021, Jaguar Land Rover's long-term debt obligations were senior notes and bank loans of ₹56,484 crores.

The following table sets forth our total liquid assets, namely cash and cash equivalents, short-term deposits and investments in mutual funds and money market funds (under other Investment—Current):

(₹ in crores)

	As of March 31, 2021	As of March 31, 2020
Total cash and cash equivalent	31,700	18,468
Total short-term deposits	14,346	14,829
Total mutual fund investments	19,051	10,862
Total liquid assets	**65,097**	**44,159**

These resources enable us to address business needs in the event of changes in credit market conditions. Of the above liquid assets, Jaguar Land Rover held ₹48,184 crores and ₹34,273 crores as of March 31, 2021 and 2020, respectively. Most of Jaguar Land Rover's liquid assets are maintained in GBP, USD, EUR and RMB with smaller balances maintained in other currencies to meet operational requirements in those geographic regions.

We expect total product and other investment spending to be around Rs. 28,900 crores in property, plants and equipment and product development during FY 2021-22.

We will continue to invest in new products and technologies to meet consumer demand and regulatory including to increase our range of electrified options (notably full battery electric) across our model range and on our vehicle architectures as recently announced as part of our Reimagine strategy We expect to satisfy our investments out of operating cash flows and additional funding through loans and other debt from time to time, as necessary but targeting a reduction in the coming years to achieve a net cash position from FY 2024-25.

Auto Free Cash Flow (cash flow from operating activities less payment for property, plant and equipment and intangible assets add proceeds from sale of property, plant and equipment less interest paid add interest received, add dividend from equity accounted investees core auto and less investment in equity accounted investees of core auto entities and less cash flow of TMF Group i.e., financing business) on consolidated basis was positive at ₹5,317 crores compared to negative ₹12,676 crores in FY 2019-20. This is mainly on account of improved operational and financial performance by reducing cost resultant into positive free cash flow for FY 2020-21, compared to FY 2019-20.

The following table provides information for the credit rating of Tata Motors Limited for short-term borrowing and long-term borrowing from the following rating agencies as of March 31, 2021: Credit Analysis &

Research Limited ("CARE"), Information and Credit Rating Agency of India Ltd. ("ICRA Limited" or "ICRA"), Credit Rating Information Services of India Ltd. ("CRISIL Ltd" or "CRISIL"), Standard & Poor's Ratings Group ("S&P") and Moody's Investors Service ("Moody's"). A credit rating is not a recommendation to buy, sell or hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating. The credit rating of Tata Motors as at March 31, 2021 was as follows.

Rating agency	Long-term borrowings	Short-term borrowings
CARE	AA- / Stable	A1+
ICRA	AA- / Stable	A1+
CRISIL	AA- /Stable	A1+
S&P	B / Negative	-
Moody's	B1 / Negative	-

As at March 31, 2021, JLR's rating was "B1"/ Negative by Moody's, "B"/Negative by Standard & Poor's. Subsequently, Moody's revised the outlook of JLR to Stable and as of date of this annual report, credit rating of JLR stands at B1/Stable

As at March 31, 2021, for TMFHL and its subsidiaries, CRISIL, ICRA and CARE rating on long- term debt instruments and long-term bank facilities stood at "AA -/ Stable",

Subsequently, S&P and Moody's revised the outlook of Tata Motors Limited to Stable and as of the date of this annual report, the S&P credit rating of Tata Motors Limited stands at B / Stable and Moody's credit rating stands at B1/Stable.

We believe that we have sufficient liquidity available to meet our planned capital requirements. However, our sources of funding could be materially and adversely affected by an economic slowdown, as was witnessed in FY 2008-09, arising due to COVID-19 or other macroeconomic factors in India, the United Kingdom, the United States, Europe or China, which are beyond our control. A decrease in the demand for our vehicles could affect our ability to obtain funds from external sources on acceptable terms or in a timely manner.

The COVID-19 pandemic and resulting lockdowns may continue to impact our business. Given the significant uncertainties arising out of the COVID-19 pandemic, we assessed the cash flow projections and available liquidity for a period of eighteen months from the date of these financial statements. Based on this evaluation, our management believes that the Company will be able to continue as a 'going concern' in the foreseeable future. For further details kindly refer note 2 (e) in Significant accounting policies forming part of consolidated financial statement.

Our cash is located in various subsidiaries. The cash in some of these jurisdictions, notably South Africa and Brazil, is subject to certain restrictions on cash pooling, intercompany loan arrangements or interim dividends. However, annual dividends are generally permitted, and we do not believe that these restrictions have, or are expected to have, any impact on our ability to meet our cash obligations.

Long-term funding

To refinance our existing borrowings and support our long-term funding needs, we continued to raise funds during FY 2019-20 and FY 2020-21. Details of major funding during FY 2019-20 through FY 2020-21 are provided below.

During the year ended March 31, 2020, the Company has allotted 20,16,23,407 Ordinary Shares at a price of ₹150 per Ordinary Share aggregating to ₹3,024 crores and 23,13,33,871 Convertible Warrants ('Warrants'), each carrying a right to subscribe to one Ordinary Share per Warrant, at a price of ₹150 per Warrant ('Warrant Price'), aggregating to ₹3,470 crores on a preferential basis to Tata Sons Private Limited. An amount equivalent to 25% of the Warrant Price was paid at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Ordinary Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Ordinary Share(s) by June 2021. The Company has fully utilised the amount of ₹3,892 crores towards repayment of debt, and other general corporate purposes of the Company and its subsidiaries.

During the quarter and year ended March 31, 2021, on exercise of options by Tata Sons Pvt Ltd and on receipt of the balance subscription money of ₹2,603 crores, the Company has fully converted 23,13,33,871 convertible warrants into Ordinary Shares, that were issued during the year ended March 31, 2020. The Company has not utilised any of this amount as at March 31, 2021.

During FY 2019-20, the Tata Motors raised unsecured term loans amounting to ₹1,500 crores from Banks for general corporate purpose and funding capital requirements. Tata Motors Limited raised unsecured, rated, listed NCD's amounting to ₹1,000 crores for utilisation towards capital expenditure including intangibles, refinancing of existing indebtedness and other general corporate purpose. In November 2019, Tata Motors Limited issued US$300 million bonds due 2025 at coupon rate of 5.875% for funding capital requirements and other permitted use as per ECB guidelines.

During FY 2019-20, TMFHL and its subsidiaries, raised ₹2,270 crores by issuing NCDs (including Sub Debt and Perpetual NCDs). Total issuance through Sub Debt and Hybrid Perpetual NCDs was ₹550 crores. Bank borrowings including ECB's continued to be a major source of funds for long-term borrowing and raised ₹4,320 crores during FY 2019-20.

In October 2019, Jaguar Land Rover Automotive PLC completed and drew down in full a GB£625 million five-year amortizing loan facility backed by a GB£500 million guarantee from UK Export Finance ("UKEF"), GB£448 million of this loan remained outstanding at 31 March 2021, after GB£125 million of the loan amortized during FY 2020-21. In addition, the Company signed a new GB£100 million working capital facility for fleet buybacks in October 2019, fully drawn in November 2019 (subsequently renewed and amended to a GB£113 million facility with GB£110 million drawn at 31 March 2021).

In November 2019, Jaguar Land Rover Automotive Plc issued EUR500 million senior notes due in 2024 at a coupon of 5.875% per annum and EUR300 million senior notes due in 2026 at a coupon of 6.875% per annum and an additional EUR200 million of senior notes in December 2019 due in 2026 also at a coupon of 6.875% per annum (the EUR300 million and EUR200 million senior notes due in 2026 are part of the same series of senior notes). The proceeds were for general corporate purposes, including support for Jaguar Land Rover's ongoing growth and capital spending requirements.

In November 2019, the US$500 million senior notes with a coupon of 4.250% issued by Jaguar Land Rover Automotive Plc in November 2014 matured and were fully repaid.

In March 2020, the US$500 million senior notes with a coupon of 3.500% issued by Jaguar Land Rover Automotive Plc in March 2015 matured and were fully repaid.

During FY 2020-21, the Tata Motors raised unsecured term loans amounting to ₹500 crores from Banks for general corporate purpose and funding capital requirements.

During FY 2020-21, Tata Motors Limited raised ₹1,000 crores through secured, rated, listed NCD's. Tata Motors Limited also raised ₹3,000 crores through secured term loan for utilization towards capital

expenditure including intangibles, refinancing of existing indebtedness and other general corporate purposes.

During FY 2020-21, Jaguar Land Rover (China) Investment Co. Ltd signed a RMB 5 billion unsecured three-year revolving loan facility with a syndicate of five Chinese banks (fully drawn as at March 31, 2021) which is subject to an annual confirmatory review. In addition, Jaguar Land Rover (China) Investment Co., Ltd entered into a small parts factoring facility in first quarter of FY 2020-21, of which RMB167 million (GB£19 million equivalent) was drawn as at March 31, 2021.

In October 2020, Jaguar Land Rover Automotive Plc issued $700 million senior notes due in 2025 at a coupon of 7.75% per annum. In December 2020, Jaguar Land Rover Automotive Plc issued US$650 million senior notes due 2028 at a coupon of 5.875%. The proceeds were for general corporate purposes.

In January 2021, the GB£300 million senior notes with a coupon of 2.750% issued by Jaguar Land Rover Automotive Plc in January 2017 matured and were fully repaid.

During FY 2020-21, TML Holding Pte Limited has issued GB£98 million Credit Enhanced Notes at a coupon rate of 4% and US$ 300 million Senior notes at a coupon rate of 5.5%. The proceeds have been used towards refinancing and meeting general corporate purposes.

During FY 2020-21, TMFHL and its subsidiaries, raised ₹4,836 crores by issuing debentures (including Hybrid and non-hybrid Perpetual NCDs). Total issuance through Hybrid Perpetual NCDs was ₹2,063 crores. Bank borrowings continued to be a major source for long-term borrowing and TMFHL and its subsidiaries raised ₹6,891 crores during FY 2021. Out of this, ECB amounted to ₹110 crores.

We plan to refinance and raise long-term funding through borrowings or equity issuances, based on review of business plans, operating results and covenant requirements of our existing borrowings.

Short-term funding

We fund our short-term working capital requirements with cash generated from operations, overdraft facilities with banks, short- and medium-term borrowings from lending institutions, banks and commercial paper. The maturities of these short-term and medium-term borrowings and debentures are generally matched to particular cash flow requirements. We had borrowings of ₹21,664 crores and ₹16,363 crores as of March 31, 2021 and 2020, respectively.

Our working capital limit for our India operations is ₹10,000 crores. The working capital limit is secured by hypothecation of existing current assets of Tata Motors Limited, including stock of raw material, stock in process, semi-finished goods, stores and spares not relating to plants and machinery (consumable stores and spares), bills receivables and book debts, including vehicle financing receivables and all other moveable current assets, except cash and bank balances, loans and advances of Tata Motors Limited, both present and future. The working capital limit is renewed annually for Tata Motors Limited. Tata Motors Limited currently has ₹1,000 crores revolving credit facility which remained undrawn as of March 31, 2021.

In December 2020 Jaguar Land Rover Limited renewed its GB£113 million committed, secured revolving loan facility for fleet buybacks for another year, with GB£110 million drawn as at March 31, 2021. As at March 31, 2021, Jaguar Land Rover Limited had sold receivables of GB£278 million equivalent under the US$500 million committed invoice discounting facility, which was renewed for another 2 years in March 2021. Under the terms of this facility receivables are accounted as sold (through trade receivables in working capital) and therefore not accounted as debt under Ind AS.

At March 31, 2021 the unutilised working capital limits for Tata Motors Limited were at ₹6,826 crores. The unutilised revolving credit facility amounted to ₹1,000 crores. For Jaguar Land Rover the unutilised committed revolving credit facility of GB£1,935 million. In April 2021, Jaguar Land Rover Automotive plc concluded negotiations with 20 banks to extend £1.3 billion of its committed undrawn revolving credit facility out to March 2024. In our opinion, our working capital facilities and short-term borrowings are sufficient for the company's present requirements.

Loan Covenants

Some of our financing agreements and debt arrangements set limits on and/or require prior lender consent for, among other things, undertaking new projects, issuing new securities, changes in management, mergers, sales of undertakings and investments in subsidiaries. In addition, certain negative covenants may limit our ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Certain financing arrangements also include financial covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios.

We monitor compliance with our financial covenants on an ongoing basis. We also review our refinancing strategy and continue to plan for deployment of long-term funds to address any potential non-compliance.

On June 30, 2020, we notified one of our Indian lenders in respect of our ₹2,700 crores loan facility that as at June 30, 2020, the Company had failed to maintain one of the financial ratios under the terms of the loan facility. The Company received confirmation from the lender that it has approved an increase in such threshold and has given waiver of the Company's failure to maintain the relevant financial ratio for FY 2020-21 and FY 2021-22. Further, the Company has received confirmation from another lender on its ₹3,000 crores loan facility, that it has given a waiver of the Company's failure to maintain this ratio before March 31, 2023.

Certain debt issued by Jaguar Land Rover is subject to customary covenants and events of default, which include, among other things, minimum liquidity requirement in the case of the UKEF facility (and the £1.3 billion extended RCF, drawable from July 2022, when the current RCF matures), restrictions or limitations on the amount of cash that may be transferred outside of the Jaguar Land Rover Group in the form of dividends, loans or investments to TML and its subsidiaries. These are referred to as "restricted payments" in the relevant Jaguar Land Rover financing documentation. In general, the amount of cash which may be transferred as restricted payments from the Jaguar Land Rover Group to the Company and its subsidiaries is limited to 50% of its cumulative consolidated net income (as defined in the relevant financing documentation) from January 2011. As of March 31, 2021, the estimated amount that is available for distributions was approximately GB£4.4 billion.

(ii) Capital Expenditures

Capital expenditures totalled ₹18,729 crores and ₹31,222 crores during FY 2020-21 and FY 2019-20, respectively. Our automotive operations accounted for most of such capital expenditures. We currently plan to invest over ₹28,900 crores in FY 2021-22 in new products and technologies.

Our capital expenditures in India during FY 2020-21 related mostly to (i) the introduction of new products, such as the Tata Altroz i-turbo, Tiago XTA, Harrier XT and Nexon XM-S and Tata Safari (ii) the development of planned future products and technologies, and (iii) quality and reliability improvements aimed at reducing operating costs.

Total product and other investment for Jaguar Land Rover in FY 2020-21 was GB£2.3 billion, primarily reflecting the ongoing launch of the all-new Land Rover Defender, including the short wheelbase 90 and commercial derivatives, as well as the launch of new and refreshed 2021 model year products, including the significant increase in electrified options across our model range now consisting of 8 Plug in hybrids, 11 mild hybrids and the all-electric Jaguar I-PACE. The investment spending in FY 2020-21 also supported the production of the new 3-litre 6-cylinder Ingenium diesel engine manufactured at our engine manufacturing centre in Wolverhampton and for upcoming product launches in FY 2021-22.

We continue to focus on development of new products for our various markets. Through Jaguar Land Rover, we continue to make investments in new technologies through its research and development activities to develop products that meet the requirements of the premium market, including developing sustainable technologies to improve fuel economy and reduce carbon dioxide emissions, such as the expansion of electrification across 12 of Jaguar Land Rover's 13 nameplates, including eight plug-in hybrid and eleven mild hybrid models as well as the all-electric Jaguar I-PACE.

We intend to continue investing in our business units and research and development over the next several years, including capital expenditures for our ongoing projects, new projects, product development programs, mergers, acquisitions and strategic alliances in order to build and expand our presence in the Passenger Vehicle and Commercial Vehicle categories.

F. Critical Accounting Policies

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities as of the date of this annual report and the reported amounts of revenues and expenses for the years presented. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and on each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods are affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Impairment of Goodwill

CGUs to which goodwill is allocated are tested for impairment annually on each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period.

Impairment

Property, plants and equipment and intangible assets

On each balance sheet date, we assess whether there is any indication that any property, plants and equipment and intangible assets with finite lives may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, we estimate the recoverable amount of the CGU to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually on each balance sheet date, or earlier if there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and VIU. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. If this occurs, an impairment loss is recognized immediately in the profit and loss account.

Finance receivables

We provide allowances for losses on portfolio of finance receivables on the basis of expected future collection from receivables. The future collection are estimated on the basis of past collection trend which are adjusted for changes in current circumstances as well as expected changes in collection based on expectations with respect to certain macro-economic factors, such as GDP growth, fuel price and inflation as well as management judgement regarding qualitative factors, including economic uncertainty, observable changes in portfolio performance, and other relevant factors.

Capitalization of internally generated intangible assets

We undertake significant levels of research and development activity and for each vehicle program periodic review is undertaken. We apply judgement in determining at what point in a vehicle programs lifecycle that recognition criteria under accounting standards is satisfied.

Product Warranty

Vehicle warranties are provided for a specified period of time. Our vehicle warranty obligations vary depending upon the type of the product, geographical location of its sale and other factors.

The estimated liability for vehicle warranties is recorded when the products are sold or when new warranty programs are initiated. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future warranty claims, customer goodwill and recall complains. The timing of outflows will vary depending on when warranty claim will arise, being typically up to six years and for batteries in Electric Vehicles warranty period is typically up to eight years.

We also have back-to-back contractual arrangements with our suppliers in the event that a vehicle fault is proven to be a supplier's fault. Estimates are made of the expected reimbursement claims based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on balance sheet date. Estimated supplier reimbursements are recognized as separate asset. Actual claims incurred in the future may differ from our original estimates, which may materially affect warranty expenses.

Employee Benefits

Employee benefit costs and obligations are dependent on assumptions used in calculating such amounts. These assumptions include salary increases, discount rates, health care cost trend rates, benefits earned, interest costs, expected return on plan assets, mortality rates and other factors.

While we believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our employee benefit costs and obligations.

Recoverability/recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carryforwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carryforwards and unused tax credits could be utilized.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We have an adequate system of internal controls in place. We have documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance regarding maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliances with regulations. We have continued our efforts to align all our processes and controls with global best practices.

Some significant features of the internal control of systems are:

- The Audit Committee of the Board of Directors, comprising of independent directors and functional since August 1988, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any;
- Documentation of major business processes and testing thereof including financial closing, computer controls and entity level controls, as part of compliance programme towards Sarbanes-Oxley Act, as required by the listing requirements at New York Stock Exchange;
- An ongoing programme, for the reinforcement of the Tata Code of Conduct is prevalent across the organization. The Code covers integrity of financial reporting, ethical conduct, regulatory compliance, conflicts of interest's review and reporting of concerns.
- State-of-the-art Enterprise Resource Planning, supplier relations management and customer relations management connect our different locations, dealers and vendors for efficient and seamless information exchange. We also maintain a comprehensive information security policy and undertakes continuous upgrades to our IT systems;
- Detailed business plans for each segment, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions;
- A well-established, independent, multi-disciplinary Internal Audit team operates in line with governance best practices. It reviews and reports to management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks. The scope and authority of the Internal Audit division is derived from the Internal Audit Charter, duly approved by the Audit Committee; and Anti-fraud programmes including whistle blower mechanisms are operative across the Company.

The Board takes responsibility for the overall process of risk management throughout the organization. Through an Enterprise Risk Management programme, our business units and corporate functions address risks through an institutionalized approach aligned to our objectives. This is facilitated by internal audit. The Business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are presented to the senior management. The Risk Management Committee reviews business risk areas covering operational, financial, strategic and regulatory risks.

There have been no changes in our internal control over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Although we have implemented various initiatives for continuous business operation in response to the COVID-19 pandemic, including enabling most of our employees to telework, apart from those who need to work at their office for smooth operations, we believe these initiatives have not had a significant impact on our internal control over financial reporting.

During FY 2020-21, we assessed the effectiveness of the Internal Control over Financial Reporting and has determined that our Internal Control over Financial Reporting as at March 31, 2021 is effective.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

We consider our human capital a critical factor to our success. Under the aegis of Tata Sons and the Tata Sons promoted entities, the Company has drawn up a comprehensive human resource strategy, which addresses key aspects of human resource development such as:

- The code of conduct and fair business practices;
- A fair and objective performance management system linked to the performance of the businesses which identifies and differentiates employees by performance level;
- Creation of a common pool of talented managers across Tata Sons and the Tata Sons promoted entities with a view to increasing their mobility through job rotation among the entities;
- Evolution of performance-based compensation packages to attract and retain talent within Tata Sons and the Tata Sons promoted entities; and
- Development and delivery of comprehensive training programs to impact and improve industry- and/or function-specific skills as well as managerial competence.

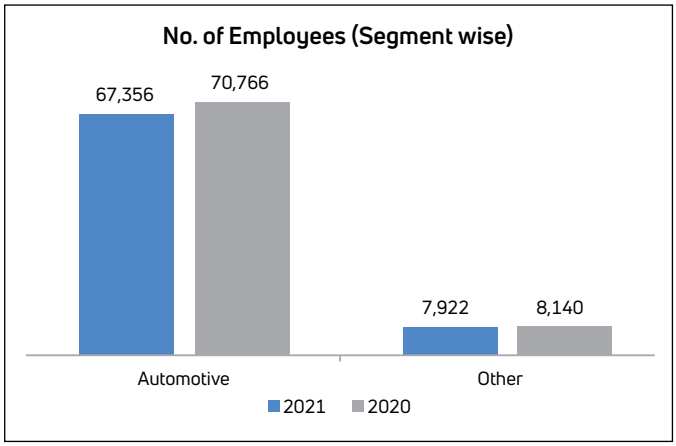
In line with the human resource strategy, the company has implemented various initiatives to build better organizational capabilities that we believe will enable if to sustain competitiveness in the global marketplace. The Company's focus is to attract talent, retain the better and advance the best. Some of the initiatives to meet this objective include:

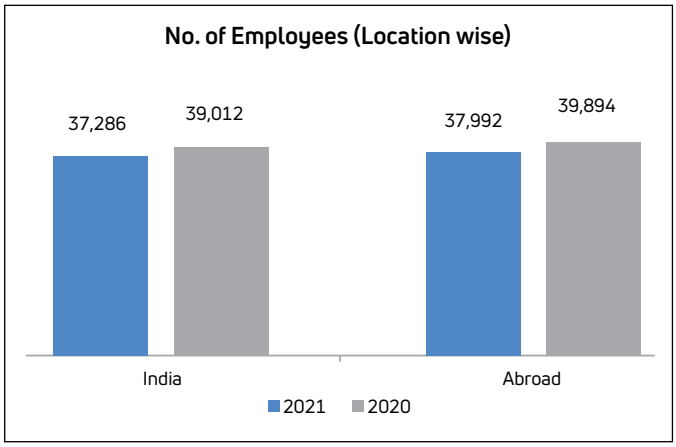
- Build strategic partnerships with educational institutions of repute to foster academia-based research and provide avenues for employees to further their educational studies;
- Enhance company's image and desirability amongst the target engineering and management schools, to enable it to attract the best;
- Foster diverse workforce to leverage the multiplicity of skillsets in all its operations;

- Skill development of all Blue collared workforce to enable them to effectively meet the productivity and quality deliverables; and
- Training youth under Government of India's National Employment Enhancement Mission in our skill development centers in all the plants. These trainees are given Automotive Skill Development Council certification, helping them get gainful employment in the industry. Engaging trainees benefit the company to meet the cyclicality of demand as well.

We employed approximately 75,278 and 78,906 permanent employees as at March 31, 2021 and 2020, respectively. The average number of flexible (temporary, trainee and contractual) employees for FY 2020-21, was approximately 28,291 (including joint operations) compared to 19,169 in FY 2019-20.

The following table set forth a breakdown of persons employed by the Company's business segments and by geographic location as at March 31, 2021 and 2020.





Talent Development

We are committed to the development of our employees to strengthen their functional, managerial and leadership capabilities. We have a focused approach with the objective of addressing all capability gaps and preparing our employees to adopt to the fast-changing external environment to meet the company's strategic objectives. Tata Motors Academy addresses development needs of various segments of our workforce through a structured approach. The Academy focuses on three functional pillars – customer excellence, product leadership, and operational excellence and management education, all of which are aligned with the Company-level strategic objectives. The emphasis of functional academies is to strengthen knowledge, skills and expertise with an in-depth approach, within respective function.

The Product Leadership Academy and Operational Excellence Academy are designing and deploying the courses and learning programs for our employees in Engineering and Operations functions, focused on organization's technical roadmap on Connected, Electric, Shared & Safe vehicles (CESS).

The Customer Excellence Academy delivers the capability building not only for Tata Motors front end functions but also for our channel partners. These training interventions are planned for Dealer Sales Agents to provide best in class experience to our customers.

Management education emphasizes on developing general management and leadership skills. Tata Motors Academy also provides executive education opportunities in the areas of B.Tech, M.Tech, and Executive MBA.

Keeping up with the digital age, the academy has also embarked upon a decisive journey of digital learning for all its employees. These include online learning and virtual classrooms, which augment the offering of functional as well as management education pillars.

Our annual Organizational & Talent Review process and Succession planning exercise ensures healthy succession pipeline of critical and leadership roles in the organization by enabling us identifying potential candidates and enabling their development.

Skill Development

We continue our endeavour to deliver high quality products by enhancing our craftsmanship and improving manufacturing and assembly processes.

To meet technology disruptions and changing market dynamics, we have developed the 'Future of Workplace' strategy, to build newer skills such high voltage (electric vehicles, mechatronics (Industry 4.0), auto electronics and vehicle communication in our workforce. We are reskilling our permanent workforce into these newer technology areas, simultaneously, we are working on creating 'new age' workforce, young skilled, agile, digital inclined through our company's flagship Full Time Apprenticeship program (newer craftsman trades) and introduction of the Bachelor of Vocational Education program.

We are now migrating from a trade-based training approach to a process-based training approach, which emphasizes team members' knowledge as related to their actual work, in addition to the general trade-based skills, which are developed at training institutes. These skills are very specific and not currently taught at the training institutes. To accomplish this, we are implementing a fundamental skills training initiative throughout organization. Its objective is to address key employee performance issues, such as inconsistent quality, poor craftsmanship, high frequencies of repair reworking and low productivity levels through training of front-line team members.

Diversity & Inclusion

Tata Motors is committed towards building diverse and inclusive workforce to position organization as equal opportunity employer. As step towards increasing gender diversity on the shop floor, Tata Motors employed women blue collar workers at the Pune PV plant on 2nd shift after initiating safety measures and compliance with statutory requirements. In our endeavour towards development of women employees, "Project EVE" a comprehensive development platform for high potential women employees was launched. Employees who are part of this program are working on challenging projects sponsored and mentored by the Executive Committee members of Tata Motors. Second Career Initiative Program (SCIP) is a platform that allows women, who have taken a break from their career, due to personal commitments, to restart their career. Tata Motors introduced Paternity

Leave and Adoption Leave for our gentlemen colleagues to support parenthood. The Company employed 5.48% women employees in FY 2020-21 compared to 5.79% in FY 2019-20.

Industrial Relations

We have labour unions for operative grade employees at all our plant across India, except at the Dharwad plant. The Company has generally enjoyed cordial relations with its employees at its factories and offices and has received union support in the implementation of reforms that impact safety, quality, cost erosion and productivity improvements across all locations.

Employee wages are paid in accordance with wage agreements that have varying terms (typically three to five years) at different locations. The expiration dates of the wage agreements with respect to various locations/subsidiaries are as follows:

Location/subsidiaries	Wage Agreement valid until
Pune commercial vehicles	August 31, 2021
Pune passenger vehicles	March 31, 2022
Jamshedpur	March 31, 2022
Mumbai	December 31, 2021
Lucknow	March 31, 2020*
Pantnagar	March 31, 2022
Sanand Passenger Vehicles	September 30, 2020*
Jaguar Land Rover – UK Plants	April 1, 2021*

*Negotiation on-going

The wage agreements at our Lucknow location, Sanand location and Jaguar Land Rover have expired and negotiations are underway for the new wage agreements. In the interim, the wages set forth in the previous wage agreements will continue until a new settlement is reached.

The Company's wage agreements link an employee's compensation to certain performance criteria that are based on various factors such as quality, productivity, operating profit and an individual's performance and discipline. As far as possible, we aim for cost neutral settlements, by achieving the critical performance parameters of the business with total employee involvement. We have generally received union support in its implementation of reforms that impact quality, cost erosion and productivity improvements across all locations. We have signed settlements with a variable pay as part of wage cost and have staggered the payment instead of one time pay to bring more cost effectiveness on account of fixed pay.

JAGUAR LAND ROVER

Automotive apprenticeships

Jaguar Land Rover has one of the largest apprenticeship programs in the UK automotive sector with 1,000 apprentices in development. Jaguar Land Rover invests in and supports lifelong learning and development for its employees, including accredited apprenticeship programs delivered through the Jaguar Land Rover Learning Academy. This includes JLR apprentice engineers and technicians developing their skills to help support the delivery of Jaguar Land Rover's Reimagine strategy. Jaguar Land Rover also supports the Automotive Engineering and Manufacturing Trailblazer Group and leads the creation and development of Levels 3, 4 and 6 automotive related Apprenticeship.

Closing the gender gap

Inspiring young females into an automotive career

Jaguar Land Rover focuses on promoting gender equality though school education programs to increase engagement in STEM (science, technology, engineering and mathematics) subjects as well as introducing successful female role models to girls as young as seven to increase their interest in engineering.

Each academic year Jaguar Land Rover runs a week-long career immersion program specifically designed to encourage more young female STEM talent to consider careers in Design, Engineering and Manufacturing. During 2019, 111 female students aged 15-18 participated in this weeklong program across all of our sites. Eligible students were encouraged to apply for available apprenticeship opportunities as part of the program deliverables. During the pandemic they were also able to offer a virtual work experience program for young females providing 56 students with valuable career insight into the processes followed from strategic concept through to development and build of a vehicle. These interactive sessions were led by Jaguar Land Rover Apprentices, Graduates and Young Professionals from across the business.

For undergraduates, Jaguar Land Rover offers a Women in Engineering Sponsorship Scheme aimed specifically at females studying engineering at University. It offers three, six and fifteen-month paid placements and the students join every summer until they graduate. Based on placement performance, the aim is to convert to a graduate hire. They are also provided with a Jaguar Land Rover female engineering mentor. During FY 2019-20, 13 females joined JLR on this program.

Jaguar Land Rover has partnered with The Pipeline, an organisation that delivers Executive Leadership Development programs designed for senior females in business. Since 2015, 11 employees have attended the topflight program and 57 employees have attended the Leadership Summit program. Both programmes offer learning from world-class business leaders and contributors.

Within Manufacturing, Jaguar Land Rover runs an Emerging Leaders program aimed at identifying and developing high potential talent early in the pipeline. Since its inception in 2011, over 20 females have completed this program and progressed into different or more senior roles as a result. In March 2020, Jaguar Land Rover held its first female senior leader event, bringing together its most senior female leaders from across the business to network and share experiences, contribute to the development of its female leadership strategy and explore what additional support would be required to enable females in Jaguar Land Rover to flourish and reach their full potential.

Jaguar Land Rover also has active employee led networks helping to drive gender equality. The Women in Engineering and Allies ("WIE&A") membership has continued to steadily grow and in March 2020 they held their annual conference. During this conference they kicked off their Allies Campaign which has focused on starting the conversation of what it is like to be an ally and how to support women at work. They plan to continue to roll out this training and raise awareness of this important inclusive behaviour.

The Mentoring scheme continued to run throughout 2019 / 2020, supporting both mentor and mentees in conversations around work, career satisfaction & personal development. The WIE&A network has also continued to run regular networking lunches and was able to switch to doing this virtually as the pandemic started.

The Gender Equality Network ("GEN") continued to grow its network members during the last year, expanding across sites and functions in Jaguar Land Rover. It remains focused on creating role models for employees by hosting regular interviews with senior women across the business. The GEN has also continued to run events and share communications aimed at engaging employees with issues related to gender and diversity more widely.

Human Rights

Jaguar Land Rover's Human Rights Policy sets out the commitment to respect and comply with all relevant laws, rules and regulations in the territories in which Jaguar Land Rover operates. These include provisions addressing slavery, human trafficking, forced labour, child labour and upholding each employee's right to freedom of association. Jaguar Land Rover has refreshed the assessment of slavery and human trafficking risks related to our operations and continue to deem the risk to be low.

OUTLOOK

LONG TERM

The automobile industry is supported by various factors such as availability of skilled labour at low cost, robust R&D centres, and low-cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour. The Indian auto industry is expected to record strong growth in 2021-22, post recovering from effects of COVID-19 pandemic. India is expected to be the world's third-largest automotive market in terms of volume by 2026.

The Government of India has introduced vehicle scrappage policy, under which recycling clusters may be established near ports. In scrappage policy, recycled material will be useful for the automobile industry as it will reduce cost of manufacturing cars, buses, and trucks, increasing India's competitiveness in international markets. An incentive-based mechanism could make the scheme lucrative and encourage people to scrap their old vehicles and replace them with new ones. This scrappage policy will result in boosting demand for the automotive sector. The Indian automotive industry has welcomed this new proposal.

Keeping in view the climate change commitments made by Government of India during the COP21 Summit held at Paris to reduce emission intensity by 33- 35% by 2030 from 2005 levels, it is pertinent to introduce alternative means in the transport sector which can be coupled with India's rapid economic growth, rising urbanization, travel demand and country's energy security. Electric mobility presents a viable alternative in addressing these challenges, when packaged with innovative pricing solutions, appropriate technology and support infrastructure and thus, has been on the radar of Government of India.

Electric mobility will also contribute to balancing energy demand, energy storage and environmental sustainability. Electric vehicles could help diversify the energy needed to move people and goods thanks to their reliance on the wide mix of primary energy sources used in power generation, greatly improving energy security. Electric vehicles would also provide major contributions to keep the world on track to meet its shared climate goals.

Jaguar Land Rover has a strong product range that compete in various segments, including the increased electrification of the product portfolio. New and refreshed products, including the new Land Rover Defender, and 2021 model year updates across the model range including the expansion of electrification now consisting of 8 Plug in hybrids, 11 mild hybrids and the all-electric Jaguar I-PACE. With the advancement of technologies like AI (artificial intelligence), robotics and IoT (Internet of Things), the automobile industry has made some significant leaps towards growth and development. The utopian image of future – with cars that run on eco-friendly fuel and can drive themselves – isn't too far away now.

China could become the leading market for the transformation of the automotive industry. It is estimated that autonomous vehicles will account for 40% of the personal mileage driven in Europe in 2030. New car sales may rise by 30% in the US, China and Europe. 55% of all new car sales in Europe may be fully electrified by 2030.

Continued investment, by Jaguar Land Rover, in new products and technologies while balancing production with sales, is key for the success of the Company.

IMMEDIATE AND SHORT TERM

While there still seems to be uncertainty around the duration and the impact of COVID-19 pandemic, we anticipate demand situation to continue to improve despite ongoing COVID-19 related lockdowns. After witnessing a decline in past two years, it is anticipated that domestic Commercial Vehicles Industry (especially MHCV's) will see improvement. Supply bottlenecks and commodity pressures remain key concern area in the short term. Focus areas for Jaguar Land Rover include the successful execution of the Reimagine strategy, including the continued expansion of electrification across the model range, underpinned by the Refocus transformation programme. Management is focused on cash and cost savings initiatives and focus on sustained improvement in domestic business. Management is focused on significantly deleveraging the business and achieving net debt free position in the next three years.

The semiconductor shortage is expected to impact the automobile industry well into 2021. An ongoing shortage in semiconductor supply is disrupting production of parts and vehicles around the world. The supply bottleneck, which is caused by a combination of factors, including the impact of the COVID-19 pandemic on production in the first half of 2020 and on manufacturing investment, is affecting a number of major carmakers and their suppliers. The semiconductor shortages would continue to impact the volumes for the first half of FY 2021-22. However, semiconductor shortages are expected to improve in the second half of FY 2021-22 as new capacity comes online. As the industry continues its shift toward electric vehicles and autonomous vehicles, the importance of electronic components is increasing. The chip shortage looks set to persist for some time yet. With demand remaining high and little additional chip-making capacity expected in the short term, the shortage is expected to last into at least next year.

The COVID-19 pandemic is expected to continue to impact tourism due to social distancing measures as well as mobility restrictions. Similarly intercity travel via large intercity coach buses will also remain low. Corporates allowing work from home to its staff and similar situation is assumed for school segment, will severely impact the demand for buses.

OPPORTUNITIES:

The Union Cabinet chaired by the Prime Minister has given its approval to introduce the Production-Linked Incentive (PLI) Scheme in the Automobile and Auto Components sectors for Enhancing India's Manufacturing Capabilities and Enhancing Exports – Atmanirbhar Bharat. The PLI scheme has set target that PLI would result in additional investment of ₹1 lakh crore over a five year period with potential for additional employment generation of nearly 60 lakh jobs.

One of the major announcements and much awaited policy introduction was Vehicle Scrappage policy. The policy is aimed at reducing the population of old and defective vehicles, bringing down vehicular air pollutants, improving road and vehicular safety. It will also help achieve better fuel efficiency, formalize the informal vehicle scrapping policy and boost the availability of low cost raw material for the automotive, steel and electronics industry. Vehicles would be required to go through fitness test failing which or failing to get renewal of its registration certificate may be declared as 'end of life vehicle'.

Vehicle owners will get scrap value for the old vehicle by the scrapping center, which is estimated at 4 to 6% of ex-show room price of a new vehicle. The state governments are advised to offer a road tax rebate of up to 25% for personal vehicles and 15% for commercial vehicles. In addition, registration fees may also be waived off for purchase of new vehicle against the scrapping certificate.

It is estimated that 17 lakh MHCV are older than 15 years without a valid fitness certificate which pollute the environment 10 to 12 times more than fit vehicles. This initiative is believed to boost demand for automobiles in the coming years and will help the nation achieve its pollution emission targets. The government's plan for strengthening the public transport sector under PPP models with an outlay of ₹18,000 crores for operating 20,000 buses is encouraging for the electric vehicle industry. The scheme could strengthen the electric vehicle industry if more number of e-buses could be supported through the scheme.

Jaguar Land Rover new Reimagine strategy paves the way for a future of modern luxury by design with quality and sustainability permeating through every facet of Jaguar Land Rover business. This strategy aims to launch Jaguar as a pure electric brand from 2025 by introducing the first Land Rover all electric model by 2024 with an additional five all electric Land Rover models launched by 2026, Launch the modular longitudinal architecture and electrified modular architecture (native BEV architecture) for Land Rover products and a BEV only architecture dedicated to Jaguar and retain, right size, repurpose and reorganised Jaguar Land Rover global manufacturing and assembly footprint. Jaguar Land Rover's Reimagine strategy is underpinned by the Refocus transformation programme which is targeting 3% incremental EBIT margin by FY 2025-26 to support double digit EBIT margin ambition.

The aim is to make all Jaguar Land Rover nameplates in pure electric form by end of the decade. The accelerated path towards electrification through Reimagine will contribute to the goal of becoming net zero carbon by 2039.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing our objective, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our Company operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which we operate, changes in government regulations, tax laws and other statutes and incidental factors.

Risk Factors

Deterioration or uncertainty in global economic conditions could have a material adverse impact on Company's business, sales and results of operations.

The automotive industry globally and Company could be materially affected by the general economic conditions and developments in India and around the world and investors' reaction to global economic conditions and developments.

The automotive industry, in general, is cyclical, and economic slowdowns in the recent past have affected the manufacturing sector in India, including automotive and related industries. Deterioration of key economic metrics, such as the growth rate, interest rates and inflation, reduced availability of competitive financing rates for vehicles, implementation of burdensome environmental and tax policies, work stoppages and increase in freight rates and fuel prices could materially and adversely affect Company's automotive sales and results of operations. Deterioration in key economic factors in countries where the Company has sales operations may result in a decrease in demand for Company's automobiles. A decrease in demand could, in turn, cause automobile prices and manufacturing capacity utilization rates to fall.

The Company is a global organization, and is therefore vulnerable to shifts in global trade and economic policies and outlook. Policies that result in countries withdrawing from trade pacts, increasing protectionism and undermining free trade could substantially affect the Company's ability to operate as a global business. Additionally, negative sentiments towards foreign companies among Company's overseas customers and employees could adversely affect Company's sales as well as its ability to hire and retain talented people. A negative shift in either policies or sentiment with respect to global trade and foreign businesses could have a material adverse effect on Company's business, prospects, results of operations and financial condition.

In the event global economic recovery is slower than expected, or if there is any significant financial disruption, this could have a material adverse effect on Company's cost of funding, portfolio of financing loans, business, prospects, results of operations, financial condition and the trading price of the Company's Shares and ADSs.

In July 2020, the United States-Mexico-Canada Agreement came into force. Potential governmental actions related to tariffs or international trade agreements have the potential to adversely impact demand for Company's products, costs, customers, suppliers and/or the North American economy or world economy or certain sectors thereof and, thus, its business.

Company's Jaguar Land Rover business has significant operations in the United Kingdom, North America, continental Europe and China, as well as sales operations in markets across the globe. If automotive demand softens because of lower or negative economic growth in key markets or due to other factors, Jaguar Land Rover's business, prospects, financial condition and results of operations could be materially and adversely affected as a result. In addition, , there is uncertainty as to whether changes to laws and policies governing international trade, tariffs and duties on foreign vehicle imports will be introduced, which could have a material adverse effect on Jaguar Land Rover's financial condition and results of operations.

Company has been, and may in the future be, adversely affected by the COVID-19 pandemic, the duration and economic, governmental and social impact of which is difficult to predict, and which may materially harm Company's business, prospects, financial condition and results of operations.

COVID-19 pandemic and associated efforts to contain the spread of the disease have caused significant disruption, volatility and uncertainty in the Global economy including the automotive industry, and it is difficult to predict with certainty the full impact of the COVID-19 pandemic on Company's business, financial condition and results of operations.

Company's operations have been impacted as a result of the COVID-19 pandemic. At various times over the course of FY 2020-21, mainly in Q1 FY 2020-21 the Company and Jaguar Land Rover enacted temporary plant shutdowns and implemented work-from-home protocols for employees who were able to work remotely in various jurisdictions, including India and the United Kingdom, to ensure public safety and to comply with government guidelines in various geographies. These shutdowns have caused and could continue to cause disruptions in Company's business and have negative effects on Company's cash flows, primarily because Company's operations generate less revenue during shutdowns while continuing to incur costs.

In recent months, there has been a significant resurgence in COVID-19 cases in India. In order to curb the spread of infections, several states have imposed varying levels of travel restrictions, lockdowns of cities and wider provinces, business closures and strict social distancing measures. These new measures have already caused disruption to the Company's manufacturing operations in India. Localized lockdowns have temporarily impacted supply chain while, in certain areas, dealerships have been closed. As a result of COVID-19 pandemic, the volumes for Indian business have reduced by 41% in April 2021, as compared to March 2021 and the Company is expecting a weaker first quarter of FY 2021-22 for its Indian business and expecting a sequential recovery during the year as COVID-19 pandemic subsides and COVID-19 pandemic related imposed restrictions are gradually eased.

While there have been short-term challenges in demand as a result of COVID-19 pandemic and we anticipate recovery as economy unlocks, our passenger segment (buses) in Commercial Vehicles has been severely impacted with industry volumes reducing by more than 75% in FY 2020- 21. There is a risk that this segment may take longer to show signs of recovery, as schools and educational centers may take longer to reopen or return to pre-pandemic attendance levels, and an increasing number of office workplaces are extending work-from-home arrangements or other flexible work arrangements.

In addition, the COVID-19 pandemic is also having an impact on the health and well-being of the Company's employees and some of the Company's employees have lost their lives as a result of the pandemic. This could impact the morale and well-being of Company's employees and it may be compelled to provide additional support to the families of those people who have lost their lives. For instance, the Company has continued its policy of making one-time payments representing 20 months basic salary (i.e. total monthly fixed pay excluding allowances and perquisites) and a monthly allowance representing 50% of basic salary until superannuation to the families of employees who lost their

lives due to COVID-19. Various other initiatives have been announced, such as making payments to temporary (contractual) workforce in the period of lockdowns and not deducting existing leaves but granting special leave for employees diagnosed with COVID-19. While the Company has been engaging with the Unions and workmen on an ongoing basis and they have been very collaborative during these challenging times, the Company may face challenges in its industrial relations relating to the employee matters relating to the COVID-19 pandemic and the uncertainties involved.

While there have been disruptions as a result of COVID-19 pandemic and semiconductor shortages, the Company is managing the situation dynamically and plants are functioning with rigorous and clearly defined health and safety protocols. The Supply arrangements for raw materials have been, and may continue to be, impacted as a result of the COVID-19 pandemic. Company may be compelled to provide additional support for its suppliers as a result of the COVID-19 pandemic.

The Company's financial condition and results have also been affected as a result of the COVID-19 pandemic. As part of mitigating actions, the Company implemented rigorous cost and capital expenditure control measures for its standalone business and achieved cumulative cash and cost savings of ₹9,300 crores against targets of ₹6,000 crores in FY 2020-21 (based on analytically derived unaudited estimates comprising savings of ₹2,600 crores in investment spending, ₹4,500 crores in working capital and ₹2,200 crores in cost and profits against targets of ₹3,000 crores, ₹1,500 crores and ₹1,500 crores, respectively). The Company continues to monitor the evolving COVID-19 pandemic situation in India and undertake necessary steps for the rationalisation of Capital expenditure and implementation of further cash improvement measures. Tata Motors Limited's total product and other investment spending is expected to be in the range of Rs. 3,500 crores in FY 2021-22. JLR's focus has been on conserving cash and prioritizing capital expenditure on key products. As part of Jaguar Land Rover's Project Charge and Charge+ programs GBP2.5 billion of cost and cash efficiencies (based on analytically derived unaudited estimates comprising of GBP0.4 billion in working capital, GBP1.0 billion in investment and GBP1.1 billion in cost and profits) were achieved in Fiscal 2021, leading to cumulative savings of GBP6 billion (based on analytically derived unaudited estimates comprising of GBP1.0 billion in working capital, GBP2.9 billion in investment and GBP2.1 billion in cost and profits) over the duration of the Charge and Charge + programs from Fiscal 2019 to Fiscal 2021. Capital expenditure guidance for JLR in FY 2021-22 is around GBP2.5 billion with the refocus transformation program announced under the Reimagine strategy expected to continue to maintain the financial discipline successfully deployed previously under Project Charge and Charge+.

Further, the COVID-19 pandemic and the resulting business disruptions in several jurisdictions where the Company operates had and may continue to have a material adverse impact on its operations, liquidity, business, financial conditions and/or credit ratings. Any future impact on Company's business may take some time to materialize and certain levels of disruption are expected for FY 2021-22. Even after the COVID-19 pandemic subsides, the Company may continue face uncertainties regarding the potential impact of variants of COVID-19 and sustainability of any economic recovery in the jurisdictions in which it operates, as well as experience an adverse impact to the Company's business as a result of its global economic impact, including any recession that has occurred or may occur. Specifically, difficult macroeconomic conditions, such as decreases in per capita income and level of disposable income, increased and prolonged unemployment or a decline in consumer confidence as a result of the COVID-19 pandemic could have a continuing adverse effect on demand for Company's products, as well as limit or significantly reduce points of access to such products.

Write offs and Impairment of tangible and intangible assets may have a material adverse effect on Company's results of operations.

Designing, manufacturing and selling vehicles is capital intensive and requires substantial investments in tangible and intangible assets such as research and development, product design and engineering technology. Company reviews the value of its tangible and intangible assets to assess on an annual basis or trigger events basis whether the carrying amount for an asset is less than the recoverable amount for that asset. Such reviews are based on underlying cash-generating units ("CGUs") (such as Commercial Vehicles, Passenger Vehicles, Jaguar Land Rover and Vehicle Financing), either based on value in use ("VIU") or fair value less cost of disposal of an asset. As a result of shifting focus to the Reimagine strategy announced by Company's Jaguar Land Rover business in February 2021 a total of GBP1,486 million (₹14,994 crores) exceptional charge was recorded in Q4 FY 2020-21 comprising one-time non-cash write downs of around GBP 952 million (₹9,606 crores) for previously planned products that will not be completed and approximately GBP 534 million (₹5,388 crores) of other restructuring costs. Company may bear further impairment losses in the future if the carrying amount of tangible and intangible assets exceeds the recoverable amount, which could have a material adverse effect on its business, prospects, financial condition and results of operations.

Disruptions to the Company's supply chains and shortages of essential raw materials may adversely affect its production and results of operations.

Company relies on third parties to source raw materials, parts and components used in the manufacture of its products. At the local level, Company relies on smaller enterprises where the risk of insolvency is greater. Furthermore, for some parts and components, Company is dependent on a single source. Company's ability to procure supplies in a cost-effective and timely manner or at all is subject to various factors, some of which are not within its control. In addition, there is a risk that manufacturing capacity does not meet the sales demand thereby compromising Company's business performance. Given the time frames and investments required for any adjustment to the supply chain, there is no near-term remedy for such a risk. While Company manages its supply chain as part of its supplier management process, any significant problems or shortages of essential raw materials in the future could adversely affect Company's results of operations.

The ongoing COVID-19 pandemic may lead to further disruptions in the supply chains in India and globally. Company's suppliers of critical components are located across the world and some of them have declared provisions related to force majeure under relevant contracts. Thus, Company expects disruptions, at uncertain frequencies, in operations at its global and Indian tier 1, 2 and 3 suppliers leading to inconsistent supplies.

In response to the COVID-19 pandemic, various national, state, and local governments where Company and its suppliers operate issued decrees prohibiting certain businesses from continuing to operate and certain workers from reporting to work. Those decrees have resulted in supply chain disruptions and higher absenteeism in Company's facilities or the suppliers' factories. It remains unclear how long these decrees will remain in place, whether decrees will be re-imposed, what additional decrees may be instituted, and the impact they may have on the Company and its suppliers.

The Company may be compelled to provide additional support for its suppliers as a result of the COVID-19 pandemic. The Company is working closely with its suppliers to monitor the risks by, among other matters, defining inventory maintenance norms, building safety stocks, exploring localization options and exploring alternative sources, among others.

Deterioration in automobile demand and lack of access to sufficient financial arrangements for Company's supply chain could impair the timely availability of components to its business. In addition, if one or more of the other global automotive manufacturers were to become insolvent, this would have an adverse impact on the supply chains and may further adversely affect Company's results of operations. Jaguar Land Rover is also exposed to supply chain risks relating to lithium-ion cells, which are critical for its electric vehicle production. Any disruption in the supply of battery cells from such suppliers could disrupt production of the JLR's vehicles and delay the roll out of JLR's strategic initiatives, including Reimagine Strategy which envisions launch of the all-electric Land Rover model in 2024. The severity of this risk is likely to increase as the Company and other manufacturers expand the production of electric vehicles and the demand for such vehicles increases.

Additionally, many major automotive companies have been experiencing a shortage of semiconductors, used in the production of automobiles, charging stations and other components of electric vehicles. Jaguar Land Rover, like other automotive manufacturers, is currently experiencing some COVID-19 supply chain disruptions, including the global availability of semi-conductors, which is having an impact on its production schedules and ability to meet global demand for some of its vehicles. As a result, Jaguar Land Rover has adjusted production schedules for certain vehicles from April 26, 2021 and the manufacturing facilities at Castle Bromwich and Halewood are operating a limited period of non-production until semiconductor supply pressures ease. Any prolonged shortages in the semiconductor industry in future could affect Jaguar Land Rover's business; in particular in the roll out of Jaguar Land Rover's reimagine strategic initiative for expansion into electric vehicles, which use roughly four to six times the amount of semiconductors used in the average vehicle today. For the Company's Indian operations, while the impact on production is relatively muted at present, if the situation of semiconductor shortages continues, it could have adverse impact on production, which would materially affect the Company's business, financial condition and results of operations. Various mitigation steps such as close engagement with Semi-conductor suppliers, evaluating alternate designs, aligning production and making changes in product configurations are being deployed.

The Company has also entered into agreements for the purchase of components from certain suppliers. If the Company procures lower quantities than committed, it may have to record provisions towards such contracts, thereby impacting its financial condition and results of operations.

Increases in commodities and input prices may have a material adverse effect on Company's results of operations.

The Company purchases a wide range of raw materials to enable its production operations. In FY 2020-21 and FY 2019-20, the consumption of raw materials, components aggregates and purchase of products for sale (including changes in inventory) constituted 62.9 % and 63.5%, respectively, of Company's revenues. Prices of commodity items used in manufacturing automobiles, including steel, aluminum, copper, zinc, rubber, platinum, palladium and rhodium, have become increasingly volatile in recent years. Prices of commodity items such as steel, non-ferrous metals, precious metals, rubber and petroleum products have generally risen in recent years and may significantly rise in the future.

The COVID-19 pandemic has a significant impact on the supply of precious metals as certain countries where such precious metals are mined had prolonged lockdown. Thereafter increased demand for personal mobility has created supply side constraint for these metals.

In addition, the Company is exposed to the risk of contraction in the supply, and a corresponding increase in the price of rare earth metals, which Company uses in the production of vehicle electronics. Rare earth metal prices and supply remain uncertain. China which is currently the largest producer of rare earths in the world has, in the past, limited the export of rare earths from time to time.

If Company is unable to find substitutes for such raw materials or pass price increases on to customers by raising prices, or to safeguard the supply of scarce raw materials, the Company's vehicle production, business and results from operations could be materially affected. The Company is also exposed to supply chain risks relating to semiconductors and lithium-ion cells, which are critical for its electric vehicle production. Any disruption in the supply of auto chips, battery charging systems or battery cells from such suppliers could disrupt production of the Company's vehicles. The severity of this risk is likely to increase as the Company and other manufacturers increase electric vehicle production.

While the Company continues to pursue cost reduction initiatives, an increase in commodity prices and the prices of input materials could severely impact its profitability to the extent such increase cannot be absorbed by the market through price increases and/or could also have a negative impact on demand. For example, in recent months, there has been significant increase in price of raw materials, especially Steel. In addition, because of intense price competition and fixed costs base, Company may not be able to adequately address changes in commodity prices even if they are foreseeable.

The Company manages these risks through the use of fixed supply contracts with tenor up to 12 months and the use of financial derivatives pursuant to a defined hedging policy, where possible (see "—Exchange rate and interest rate fluctuations and hedging arrangements could materially and adversely affect Company's financial condition and results of operations."). However, these arrangements may not adequately protect the Company against these risks.

Intensifying competition could materially and adversely affect the Company's business, prospects, financial condition and results of operations.

The global automotive industry is highly competitive, and competition is likely to further intensify, particularly in the premium automotive categories including from new industry entrants. Some of the Company's competitors based in the European Union may gain a competitive advantage that would enable them to benefit from their access to the European Union single market. There is no assurance that the Company will be able to compete successfully in the global automotive industry in the future.

Company also faces strong competition in the Indian market from domestic and foreign automobile manufacturers. Improving infrastructure and growth prospects in India, compared to those of other mature markets, have attracted a number of international companies to India, either through joint ventures with local partners or through independently owned operations in India. International competitors may bring with them international experience, global scale, advanced technology and significant financial resources. Consequently, domestic competition is likely to further intensify in the future. Company has seen increased competition for its Commercial Vehicles business for several years, and as a result, its market share has witnessed pressures. If the Company's market share in this segment is substantially impacted, it will materially and adversely affect its business, prospects, financial condition and results of operations. There is no assurance that the Company will be able to implement its future strategies in a way that will mitigate the effects of increased competition in the Indian automotive industry.

In addition, if the Company's competitors consolidate or enter into other strategicpartnershipsorjointventures,theymaybeabletoachievegreater economies of scale. Some of the Company's competitors have formed such strategic alliances in recent years. If the Company's competitors are able to benefit from the cost savings offered by consolidation or strategic partnerships, the Company's competitiveness could be adversely affected. Further, the Company's growth strategy relies on the expansion of its operations in less mature markets abroad, where it may face significant competition and higher than expected barriers to entry.

A significant reliance on key markets by both Tata Motors and Jaguar Land Rover increases the risk of a negative impact from reduced customer demand in those countries

The Company relies on certain key markets, including the United Kingdom, China, North America, India and continental Europe, from which it derives substantial portion of its revenues. A decline in demand for the Company's vehicles in these major markets may, significantly impact its business, financial condition and results of operations. For example, adverse public perceptions towards diesel powered vehicles, resulting from emissions scandals and tax increases on diesel vehicles, have precipitated a sharp fall in diesel vehicle sales, primarily in the United Kingdom and the European Union. In addition, the Company's strategy, which includes new product launches and expansion into growing markets, may not be sufficient to mitigate a decrease in demand for its products in mature markets in the future, which could have a significant adverse impact on its financial performance.

The Company's future success depends on its ability to satisfy changing customer demands by offering innovative products in a timely manner and maintaining product competitiveness and quality.

New technologies, climate change concerns, increases in fuel prices and certain government regulations have resulted in changes in customer preferences and have encouraged customers to look beyond standard purchasing factors (such as price, design, performance, brand image and features). Customer preferences in certain more mature markets have trended towards smaller and more fuel-efficient or electric and environmentally friendly vehicles. Such consumer preferences could materially affect Company's ability to sell premium Passenger Cars and large or medium-sized all-terrain vehicles at current or target volume levels, and could have a material adverse effect on Company's general business activity, net assets, financial position and results of operations.

A shift in consumer demand from SUVs toward compact and mid-size Passenger Cars, whether in response to higher fuel prices or other factors, could adversely affect Company's profitability. Conversely, if the trend in consumer preferences for SUVs holds, the Company could face increased competition from other carmakers as they adapt to the market and introduce their own SUV models, which could materially and adversely impact the Company's business, financial condition or results of operations. The Company's operations may also be significantly affected if it fails to develop, or experience delays in its planned roll out of fuel-efficient and electric vehicles and certain technologies that reflect changing customer preferences and meet the specific requirements of government regulations. The Company's competitors may gain significant advantages if they are able to offer products satisfying customer needs or government regulations earlier than the Company is able to, which could adversely affect the Company's business, prospects, financial condition and results of operations.

Further, there is no assurance that the Company's new models will meet its sales expectations, in which case the Company may be unable to realize the intended economic benefits of its investments, which would materially affect the Company's business, results of operations and financial condition. In addition, there is a risk that the Company's quality standards can be maintained only by incurring substantial costs for monitoring and quality assurance. A decrease in the quality of the Company's vehicles (or public perception of such a decrease) could damage the Company's image and reputation as a premium automobile manufacturer and materially affect the Company's business, prospects, financial condition and results of operations. Furthermore, non-traditional market participants and/or unexpected disruptive innovations may disrupt the established business model of the industry by introducing new technologies, distribution models and methods of transportation

There is also a risk that the capital invested on researching and developing new technologies, including autonomous, connected and electrification technologies, or the capital invested in mobility solutions to overcome and address future travel and transport challenges, will, to a considerable extent, have been spent in vain, because the technologies developed or the products derived therefrom are unsuccessful in the market or exhibit failures that are impracticable or too costly to remedy or because competitors have developed better or less expensive products. It is possible that the Company could then be compelled to make new investments in researching and developing other technologies to maintain its existing market share or to win back the market share lost to competitors.

In addition, product development cycles can be lengthy, and there is no assurance that new designs, including electric and hydrogen propelled vehicles will lead to revenues from vehicle sales, or that the Company will be able to accurately forecast demand for its vehicles, potentially leading to inefficient use of its production capacity. Additionally, the Company's high proportion of fixed costs, due to its significant investment in property, plants and equipment, further exacerbates the risks associated with incorrectly assessing demand for its vehicles.

If the Company is unable to effectively implement or manage its growth strategy and strategy to deliver competitive business efficiency, Company's business, prospects, financial condition and results of operations could be materially and adversely affected.

As part of Company's growth strategy, the Company may open new manufacturing, research or engineering facilities, expand existing facilities, add additional product lines or expand its businesses into new geographical markets that feature higher growth potential than many of the more mature automotive markets in developed countries.

While Tata Motors Limited has undertaken robust turnaround actions, its future strategy focuses on accelerating the turnaround and achieving a sustainable transformation by emphasizing on strong product development, sales enhancement, reducing costs and achieving bottom line improvement. There are several key actions in progress, including further developing design language, rationalizing supply base and building connected supply chain for better efficiencies, seeking for best opportunities to make technology affordable, introducing new features for benefit of customers, driving manufacturing efficiencies, building a strong performance oriented culture and using data analytics and leveraging on new technologies.

In February 2021, Jaguar Land Rover also announced the new Reimagine strategy including the introduction of the first all-electric Land Rover vehicle in 2024 followed by a further five Land Rover models with a full battery electric option by 2026. At the same time, Jaguar will emerge as a pure-electric only brand from 2025. The Reimagine Strategy also targets the production of more sustainable and fully electric luxury vehicles including the ambitious goal of having a fully electric fleet of luxury vehicles by the end of the decade and 100% of sales from pure battery electric vehicles by 2036, as well as striving toward achieving net zero carbon emissions across

its supply chain, among other environmentally driven strategies by 2039. Expanding into electric vehicles with the goal of completely phasing out Jaguar Land Rover's pure internal combustion engine line of vehicles within the next ten years involves many risks, including rapidly changing consumer preferences and technological advances. The technology surrounding the engines, batteries, and charging times of electric vehicles remains in its initial stages, and as such, it may not grow in the way that Company has predicted for its strategic initiatives to be successful. For example, Jaguar Land Rover may not be able to develop sufficiently efficient batteries before its competitors or not at all. As with most new technological advances, Jaguar Land Rover may also face competition with dueling software and hardware technologies in electric vehicles, which could lead to the dominance of one product in the market causing the extinction of the other. If Jaguar Land Rover is unable to develop competitive models of electric vehicles or fails to meet its projected timeline, its business, prospects, financial condition and results of operations could be adversely affected. Moreover, rapid technological growth and shifts in consumer demand for the latest product could lead to electric vehicles being replaced by the next class of technologically advanced vehicles sooner than anticipated. If electric vehicles do not become the market standard, or are quickly phased out, Jaguar Land Rover may not recoup its costs associated with developing an all-electric fleet of Jaguar Land Rover vehicles.

Additionally, the Company faces a range of risks generally inherent in its business strategies that could adversely affect its ability to achieve these objectives, including, but not limited to: the potential disruption of its business; the uncertainty that it may not be able to meet or anticipate consumer demand; the uncertainty that a new business will achieve anticipated operating results; the difficulty of managing the operations of a larger company; the difficulty of competing for growth opportunities with companies that have greater financial resources than the Company has; and other similar operational and business risks. More specifically, the Company's international businesses face a range of risks and challenges, including, but not limited to: language barriers, cultural differences, inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of foreign countries, the risk of non-tariff barriers, regulatory and legal requirements, environmental permits and other similar types of governmental consents, liquidity, trade financing or cash management facilities, export and import restrictions, multiple tax regimes, foreign investment restrictions, foreign exchange controls and restrictions on repatriation of funds, other restrictions on foreign trade or investment sanctions imposed by the United States, the United Nations or other governments or authorities the burden of complying with a wide variety of foreign laws and regulations and other similar operational and business risks. If Company is unable to manage risks related to its expansion and growth in new geographical markets and fails to establish a strong presence in high growth markets, the Company's business, prospects, financial condition and results of operations could be adversely affected.

Company is exposed to liquidity risks, including risks related to changes in its credit rating, which could adversely affect the value of its debt securities, finance costs and its ability to obtain future financing.

The Company's main sources of liquidity are cash generated from operations, existing notes, external debt in the form of factoring discount facilities and other revolving credit facilities. However, conditions in credit markets could deteriorate (including as a result of higher oil prices, excessive public debt, significant defaults, the COVID-19 pandemic or for any other reasons) and lower consumer demand may adversely affect both consumer demand and the cost and availability of finance for the Company's business and operations. See Liquidity and Capital Resources—Principal Sources of Funding Liquidity—Loan Covenant under Management Discussion and Analysis for more information.

The Company is also subject to various types of restrictions or impediments on the ability of its companies in certain countries to transfer cash across its companies through loans or dividends. These restrictions or impediments are caused by exchange controls, withholding taxes on dividends and distributions and other similar restrictions in the markets in which the Company operates. The transfer of cash is also subject to certain restrictions on cash pooling, intercompany loan arrangements or interim dividends in certain jurisdictions.

Any credit ratings assigned to the Company or its debt securities may not reflect the potential impact of all risks related to structural, market, additional risk factors discussed and other factors that may affect the value of its debt securities. Credit rating agencies continually review the ratings they have assigned and their ratings may be subject to revision, suspension or withdrawal by the rating agency at any time. A downgrade in the Company's credit rating may negatively affect its ability to obtain future financing to fund its operations and capital needs, which may affect its liquidity. It may also increase the Company's financing costs by increasing the interest rates of its outstanding debt or the interest rates at which the Company is able to refinance existing debt, incur additional debt or may require the Company to prepay part of the outstanding debt. A credit rating is not a recommendation to buy, sell or hold securities.

The Company's production facilities are highly regulated and it may incur significant costs to comply with, or address liabilities under, environmental, health and safety laws and regulations applicable to them.

The Company's production facilities are subject to a wide range of increasingly strict environmental, health and safety requirements. These requirements address, among other things, air emissions, wastewater discharges, releases into the environment, human exposure to hazardous materials, the storage, treatment, transportation and disposal of wastes and hazardous materials, the investigation and clean-up of contamination, process safety and the maintenance of health and safety conditions in the workplace. Many of the Company's operations require permits and controls to monitor or reduce pollution. The Company has incurred, and will continue to incur, substantial on-going capital and operating expenditures to ensure compliance with current and future environmental, health and safety laws and regulations or their more stringent enforcement. Violations of these laws and regulations could result in the imposition of significant fines and penalties, the suspension, revocation or non-renewal of the Company's permits, production delays or limitations, imprisonment, or the closure of the Company's plants. Other environmental, health and safety laws and regulations could impose restrictions or onerous conditions on the availability or the use of raw materials the Company needs for its manufacturing process. Violations of such laws and regulations may occur, among other ways, from errors in monitoring emissions of hazardous or toxic substances from the Company's vehicles or production sites into the environment, such as the Company's use of incorrect methodologies or defective or inappropriate measuring equipment, errors in manually capturing results, or other mistaken or unauthorized acts of the Company's employees, suppliers or agents.

The Company's manufacturing units must ensure compliance with various environmental statutes, including in India, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 as well as the rules and regulations implemented under such legislation.

The Corporate Average Fuel Economy ("CAFÉ") standards applicable to M1 category vehicles required the Company to demonstrate CAFE compliance for the Company's Passenger Vehicles, Commercial Vehicles and Electric Vehicles M1 models. Any non-compliance could lead to penalties, product recalls and/or other punitive measures. TML has successfully complied with the Phase 1 CAFE requirements for FY 2017, FY 2018 and FY 2019. Through the use of the CAFE calculator, Company regularly monitors production volumes and process to ensure that organizational level CAFE compliance (which will require TML to produce enough fuel-efficient models to compensate for those models having higher CO2 emissions in g/km) is established at all times during the year. In addition, to support the Company's compliance obligations, the Company's overall product portfolio needs to be enhanced with the incorporation of electric and hybrid vehicles as well as the inclusion of environmental-friendly technological features in existing and forthcoming models.

In 2016, the Indian Ministry of Environment, Forests & Climate Change ("MoEFCC") re-vamped several national level legislations governing waste management, including the Plastic Waste Management Rules 2016, the Bio-Medical Waste (BMW) Management Rules 2016, e-waste Management Rules-2016 - and the Construction and Demolition (C&D) Waste Management Rules 2016. All the Company's plants have analyzed these new regulations for its applicability and aligned their compliance practices accordingly.

The Company's business and manufacturing processes result in the emission of greenhouse gases such as carbon dioxide. The Company expects legal requirements to reduce greenhouse gases to become increasingly more stringent and costly to address over time. For example, the European Union Emissions Trading Scheme ("EU ETS"), a European Union-wide system in which allowances to emit greenhouse gases are issued and traded, is now in Phase IV and currently applies to three manufacturing facilities in the United Kingdom, and for Jaguar Land Rover's Slovakia manufacturing facility. The free allocation of EUETS carbon allowances significantly reduces in Phase 4 of the scheme (from start of 2021) and, as a result, the JLR will be required to purchase an increased number of allowances, potentially at substantial cost. This forecast is subject to evaluation by the United Kingdom post-Brexit as it begins to design its own carbon market. In any event, there will be a cost to purchase credits in Slovakia and that will be covered following EU ETS permit application and issue.

In the United Kingdom, the Climate Change Agreement ("CCA") covers Jaguar Land Rover's three vehicle manufacturing plants and one of its Special Operations facilities. Under the CCA, Jaguar Land Rover is required to deliver a 15% reduction in energy use per vehicle by 2020 compared to the 2008 baseline. In addition, in the United Kingdom Jaguar Land Rover is required to comply with the Streamlined Energy and Carbon Reporting Scheme ("SECR") which replaced reporting under the previous regime in 2020 and is compulsory for operations of entities in the United Kingdom.

The Best Available Techniques Reference Document ("BREF") for Jaguar Land Rover's paint shops has been under review and in 2019 changes were proposed, including the lowering of permissible emissions to 30g/m2. Although the United Kingdom has adopted all EU legislation, including any EU regulation, as it had effect in EU law immediately before Brexit, there can be no assurance that it will not deviate from the EU standards in the future. In any event, Jaguar Land Rover's paint shop in Slovakia will need to meet this requirement.

Many of Jaguar Land Rover's sites have an extended history of industrial activity. Jaguar Land Rover may be required to investigate and remediate contamination at those sites, as well as properties it formerly operated, regardless of whether Jaguar Land Rover caused the contamination or the activity causing the contamination was legal at the time it occurred. For example, some of Jaguar Land Rover's buildings at its Solihull plant and other plants in the United Kingdom are undergoing an asbestos removal program in connection with ongoing refurbishment and rebuilding. In Jaguar Land Rover's overseas facilities prior to purchase, it undertook studies that informed it of the presence of contamination or otherwise in the ground prior to development. In Brazil, Jaguar Land Rover's manufacturing site is adjacent to a facility (the "Itatiaia West" site), where organic solvent contamination of the ground had previously occurred. Jaguar Land Rover has purchased the Itatiaia West site and is currently progressing relevant permits for operation and developing plans for further remediation of the organic solvent contamination. The Itatiaia West site is listed on the Environmental Regulators site (Instituto Estadual do Ambiente) as contaminated. Some of these historical issues are being addressed in conjunction with Jaguar Land Rover's site development works whilst others are subject to ongoing treatment regimes.

In connection with contaminated properties, as well as operations generally, Company also could be subject to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property damage or damage to natural resources resulting from hazardous substance contamination or exposure caused by Company's operations, facilities or products. The discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contamination at Company's facilities, could result in substantial unanticipated costs. Company could be required to establish or substantially increase financial reserves for such obligations or liabilities and, if the Company fails to accurately predict the amount or timing of such costs, the related adverse impact on the Company's business, prospects, financial condition or results of operations could be material.

Company is subject to risks associated with the automobile financing business.

The sale of Company's Commercial Vehicles and Passenger Vehicles is heavily dependent on funding availability for Company's customers. In recent years, rising delinquencies and early defaults have contributed to a reduction in automobile financing, which, in turn, has had an adverse effect on funding availability for potential customers. This reduction in available financing may continue in the future and have a material adverse effect on Company's business, prospects, financial condition and results of operations.

Default by Company's customers or inability to repay installments as due could materially and adversely affect its business, prospects, financial condition, results of operations and cash flows. In addition, any downgrade in Company's credit ratings may increase its borrowing costs and restrict its access to the debt markets. Over time, and particularly in the event of any credit rating downgrade, market volatility, market disruption, regulatory changes or otherwise, the Company may need to reduce the amount of financing receivables it originates, which could severely disrupt Company's ability to support the sale of its vehicles.

Transportation and logistics sector was facing significant headwinds even before the COVID-19 pandemic, due to sluggish growth in freight availability and rates. This was exacerbated on account of lockdowns and other COVID-19 pandemic related measures introduced by local and national governments. During the current financial year the Government of India (the "GOI") and Reserve Bank of India (the "RBI") has announced several relief measures to ease the financial system stress resulting from the COVID-19 pandemic outbreak in India which include

- Moratorium of six months for dues falling between March 1, 2020 to August 31, 2020;
- asset classification standstill benefit to over dues accounts where moratorium has been granted;
- one-time restructuring allowed for eligible borrower accounts of Micro, Small & Medium Enterprises without downgrade in asset classification;

However, such regulatory measures are temporary in nature and intended as a one-time relief, and there remains a still considerable uncertainty around the impact of the COVID-19 pandemic, especially due to recent resurgence of COVID-19 cases in India. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans that are subject to a number of management judgements and estimates. Company has held adequate provision for impairment loss allowance on its loans based on the historical experience, collection efficiencies, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainties caused by the pandemic. The Company continues to closely monitor the macro economic factors affecting its operations.

Jaguar Land Rover has consumer finance arrangements in place with Black Horse Limited (part of the Lloyds Banking Group) in the United Kingdom, FCA Bank S.p.A. (a joint venture between Fiat Auto and Crédit Agricole) in major European markets and Chase Auto Finance in the United States and have similar arrangements with local providers in a number of other key markets. Any reduction in the supply of available consumer financing for the purchase of new vehicles or an increase in the cost thereof would make it more difficult for some of its customers to purchase its vehicles, which could put Jaguar Land Rover under commercial pressure to offer new (or expand existing) retail or dealer incentives to maintain demand for its vehicles, thereby materially and adversely affecting the its sales and results of operations. For example, during the global financial crisis, several providers of customer finance reduced their supply of consumer financing for the purchase of new vehicles. Additionally, base interest rates in developed economies are low. As interest rates rise generally, market rates for new vehicle financing are expected to rise as well, which may make Company's vehicles less affordable to retail consumers or steer consumers to less expensive vehicles that tend to be less profitable for us, adversely affecting Company's business, prospects, financial condition and results of operations. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, consumers may not desire to or be able to obtain financing to purchase or lease the Company's vehicles. An increase in interest rates due to tightening monetary policy or for any other reason would result in increased costs for Company to the extent Company decides to absorb the impact of such increase. As a result, a substantial increase in consumer interest rates or tightening of lending standards could have a material adverse effect on the business, prospects, financial condition and results of operations.

Furthermore, Jaguar Land Rover offers residual value guarantees on the purchase of certain leases in some markets. The value of these guarantees is dependent on used car valuations in those markets at the end of the lease, which is subject to change. Consequently, Jaguar Land Rover may be adversely affected by movements in used car valuations in these markets.

Deterioration in the performance of any of the Company's subsidiaries, joint ventures or affiliates could materially and adversely affect its results of operations and financial condition.

Company has made and may continue to make capital commitments to its subsidiaries, joint ventures and affiliates. If the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorate, the value of Company's investments may decline substantially. Company is also subject to risks associated with joint ventures and affiliates wherein it retains only partial or joint control.

Jaguar Land Rover entered into a joint venture with Chery Automobile Company Ltd. ("Chery") in China to develop, manufacture and sell certain Jaguar Land Rover vehicles and at least one own-branded vehicle in China (the "China Joint Venture"). Additionally, in March 2018, Jaguar Land Rover announced its strategic partnership with Waymo LLC ("Waymo") to develop the world's first premium self-driving electric vehicle. In June 2019, Jaguar Land Rover announced a collaboration with BMW to develop the next-generation Electric Drive Units to support the advancement of electrification technologies. Jaguar Land Rover may also decide to collaborate with other companies in order to develop future technologies and initiatives, including but not limited to the dedicated BEV Jaguar architecture in the near future. Joint ventures and strategic partnership projects, like Jaguar Land Rover's joint venture in China, partnership with Waymo and collaboration with BMW, may be developed pursuant to agreements over which it only has partial or joint control.

If the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorate, the value of Company's investments may decline substantially and may impact its overall financial position and liquidity. If there is a significant change in these relationships (for example, if a co-owner changes or relationships deteriorate), Company's success in the joint venture may be materially affected.

Company is also subject to risks associated with Joint ventures and affiliates wherein Company retains only partial or joint control. If other shareholders of a joint venture, who may have different business or investment strategies than Company does or with whom Company may have a disagreement or dispute, have the ability to block business, financial or management decisions, or Company's investment in the project, or otherwise implement initiatives that may be contrary to Company's interests, Company's future results and financial condition may be materially affected.

The Company is subject to risks associated with product liability, warranties and recalls.

The Company is subject to risks and costs associated with product liability, warranties and recalls in connection with performance, compliance or safety related issues affecting its vehicles. From time to time, Company may be subject to investigations by governmental authorities relating to safety and other compliance issues with its vehicles. In particular, as Company's vehicles become more technologically advanced, Company is subject to risks related to their software and operation, including Company's advanced driver assistance systems automation. The Company may be required to expend considerable resources in connection with product recalls and these resources typically include the cost of the part being replaced and the labor required to remove and replace the defective part. In addition, product recalls can cause Company's consumers to question the safety or reliability of its vehicles, which may harm its reputation. Any harm to Company's reputation may result in a substantial loss of customers. For example, Jaguar Land Rover commenced remediatory action in

connection with the Takata Corporation's passenger airbag safety recall announced in May 2015 in the United States by the National Highway Traffic System Administration (the "NHTSA"). Following the initial provision of GBP67.4 million, the provision held at the end of FY 2020-21 with respect to the recall is GBP 29 million.

Furthermore, the Company may also be subject to class actions or other large-scale lawsuits pertaining to product liability or other matters in various jurisdictions in which the Company has a significant presence. The use of shared components in vehicle production increases this risk because individual components are deployed in a number of different models across the Company's brands. Any costs incurred or lost sales caused by product liability, warranties and recalls could materially affect Company's business and reputation.

Exchange rate and interest rate fluctuations and hedging arrangements could materially and adversely affect the Company's financial condition and results of operations.

The Company's operations are subject to risks arising from fluctuations in exchange rates with reference to countries in which it operates. The Company imports capital equipment, raw materials and components from, manufacture vehicles in, and sell vehicles into, various countries, and therefore, the Company's revenues and costs have significant exposure to the relative movements of the GBP, the U.S. dollar, the Euro, the Russian Ruble, the Chinese Renminbi, the Singapore dollar, the Japanese yen, the Australian dollar, the South African rand, the Thai baht, the Korean won and the Indian rupee. Jaguar Land Rover is exposed to a strengthening British pound, since this would diminish the sterling value of its overseas sales. Although a trade agreement between the UK and European Union was agreed in December 2020 and tariffs have been avoided to date, the United Kingdom's exit from the European Union has driven additional customs and other administrative frictions that may persist and ultimately impact the UK economy, thereby causing further volatility in the value of the British pound, which could affect the Company's Jaguar Land Rover business.

A significant proportion of JLR's input materials and components and capital equipment are sourced overseas, in particular from Europe, and therefore JLR has costs in, and significant exposure to the movement of, the Euro (specifically a strengthening of the Euro) and certain other currencies relative to the GBP (Jaguar Land Rover's reporting currency), which may result in decreased profits to the extent these are not fully mitigated by non-GBP sales. Moreover, the Company has outstanding foreign currency-denominated debt. The Company has experienced and could in the future experience foreign exchange losses on obligations denominated in foreign currencies in respect of its borrowings and foreign currency assets and liabilities due to currency fluctuations. The Company is exposed to changes in interest rates, as it has both interest-bearing assets (including cash balances) and interest bearing liabilities, certain of which bear interest at variable rates (including Jaguar Land Rover's $1 billion term loan facility, the UKEF & commercial loan facilities and the United Kingdom fleet financing facility), whereas the existing notes bear interest at fixed rates. Although the Company engages in managing its interest and foreign exchange exposure through use of financial hedging instruments, such as forward contracts, swap agreements and option contracts, higher interest rates and a weakening of the Indian rupee against major foreign currencies could significantly increase its cost of borrowing.

Appropriate hedging lines for the type of risk exposures the Company is subject to may not be available at a reasonable cost, particularly during volatile rate movements, or at all. Moreover, there are risks associated with the use of such hedging instruments. While hedging instruments may mitigate Company's exposure to fluctuations in currency exchange rates to a certain extent, Company potentially foregoes benefits that might result from market fluctuations in currency exposures. These hedging transactions can also result in substantial losses, including, without limitation, when a counterparty does not perform its obligations under the applicable hedging arrangement, there are currency fluctuations, the arrangement is imperfect or ineffective, or Company's internal hedging policies and procedures are not followed or do not work as planned.

In addition, because Company's potential obligations under the financial hedging instruments are marked to market, Company may experience quarterly and annual volatility in its operating results and cash flows attributable to its financial hedging activities.

Any of the above may have a material adverse effect on Company's financial condition, results of operations and liquidity.

Changes or uncertainty in respect of LIBOR and/or SONIA may affect some Company's financing arrangements.

Some of Company's financing arrangements are, or may in the future be, linked to LIBOR and/or SONIA (as defined below). LIBOR has been the subject of recent national, international and other regulatory guidance and proposals for reform. As a result, GBP LIBOR will cease to exist from January 1, 2022 while USD LIBOR will cease to exist from July 1, 2023. On November 29, 2017, the Bank of England and the United Kingdom Financial Conduct Authority (the "FCA") announced that the market working group on Sterling Risk-Free Rates would have an extended mandate to catalyze a broad transition from LIBOR to the Sterling Over Night Index Average rate ("SONIA") across sterling bond, loan and derivatives markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. On April 23, 2018, the Bank of England took over administration of SONIA and issued a series of reforms as part of its implementation as a replacement to LIBOR. From April 2018, the Bank of England has been setting the interest rate benchmark using SONIA, meaning that banks are no longer compelled by the FCA to submit LIBOR rates beyond 2021. On March 5, 2021, the FCA issued an announcement on the future cessation and loss of representativeness of the LIBOR benchmarks, and announced March 5, 2021 as the spread adjustment fixing date for all LIBOR tenors across all currencies These reforms and other pressures will cause LIBOR to disappear entirely following its phase out period and have created disincentives for market participants to continue to administer LIBOR or may have other consequences which cannot be predicted.

Any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including SONIA or any alternative or successor benchmark rate) could affect the level of the published rate, including to cause it to be higher, lower and/or more volatile than it would otherwise be. With the discontinuation of LIBOR the rate of interest applicable to Company's financing arrangements that are linked to LIBOR may be determined by applicable contractual fall-back provisions, although such provisions have not been tested and may not operate as intended. Additionally, SONIA and/or any other alternative or successor benchmark rates are, or will be for a period of time, largely untested, and the use of SONIA and/or such alternative or successor benchmark rates may have adverse consequences that impact Company's financing arrangements.

More generally, any of the above matters could affect the amounts available to the Company to meet Company's obligations under the Company's financing arrangements and/or could have a material adverse effect on the value or liquidity of, and the amounts payable under Company's financing arrangements. Changes in the manner of administration of LIBOR (or any alternative or successor benchmark rates, including SONIA) could result in adjustment to the conditions applicable to some of Company's financing arrangements or other

consequences as relevant to those financing arrangements. While Company may seek to amend the agreements related to its financing arrangements linked to LIBOR (or any alternative or successor benchmark rates, including SONIA), the Company may not be able to amend such agreements before any of the risks disclosed hereby materialize or at all. No assurance can be provided that any other relevant benchmark rate will continue to exist.

Potential changes to Company's business through mergers, acquisitions and divestments may have a material adverse effect on its future results and financial condition

The Company believes that its acquisitions provide it opportunities to grow significantly in the global automobile markets including premium brands and products and provide it with access to technology, additional capabilities and potential synergies. The Company regularly examines a range of corporate opportunities, including suitable mergers, joint ventures, acquisitions and divestments, with a view to determining whether those opportunities will enhance its strategic position and financial performance. However, the scale, scope and nature of the integration, management or separation required in connection with such transactions present significant challenges, and the Company may be unable to integrate, manage or separate the relevant subsidiaries, divisions and facilities effectively within its expected schedule. A transaction may not meet the Company's expectations and the realization of the anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which are outside its control.

These corporate opportunities may involve risks, including unforeseen contingent risks or latent business liabilities that may only become apparent after the transaction is completed. Integration or separation of an acquired or divested business can be complex and costly, sometimes including combining or separating relevant accounting and data processing systems, and management controls, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners. Integration or separation efforts could also create inconsistencies in standards, controls, procedures and policies, as well as diverting management attention and resources. Additionally, there can be no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired or retained businesses will remain post-acquisition or post-divestment, and the loss of employees, customers, counterparties, suppliers and other business partners may adversely affect Company's operations or results.

If Company is unable to manage any of the associated risks successfully, Company's business, prospects, financial condition and results of operations could be materially and adversely affected.

Moreover, there are risks relating to the completion of any particular transaction occurring, including counterparty and settlement risk, or the non-satisfaction of any completion conditions (for example, relevant regulatory or third party approvals).Company acquired the Jaguar Land Rover business from the Ford Motor Company ("Ford") in June 2008, and since then Jaguar Land Rover has become a significant part of Company's business, accounting for 78 % of Company's total revenues in FY 2020-21. As a result of the acquisition, Company is responsible for, among other things, the obligations and liabilities associated with the legacy business of Jaguar Land Rover. There can be no assurance that any legacy issues at Jaguar Land Rover or any other acquisition the Company has undertaken in the past or will undertake in the future will not have a material adverse effect on its business, financial condition and results of operations, as well as its reputation and prospects.

Company's strategy to grow the business through capital investments may not be successful or as successful as it expects.

Company's strategic priorities to grow its business include investing in new models and modular architectures and in autonomous, connected, electric as well as shared mobility services. Specifically, with the launch of the Reimagine strategy in February 2021, Jaguar Land Rover is committed to investing significant resources in electric battery technology and vehicles, in order to achieve its goal of net zero carbon emissions across its supply chain, products and operations by 2039. Jaguar Land Rover's annual total product and other investment spending was GBP 2.3 billion in FY 2020-21 and is expected to be around GBP2.5 billion in FY 2020-22 and it is planning to launch the new Range Rover and Range Rover Sport on the new modular longitudinal architecture platform. Tata Motors Limited's total product and other investment spending was Rs. 2,586 crores for FY 2020-21 and is expected to be in the range of Rs. 3,500 crores in FY 2021-22. Tata Motors Limited continues to monitor the evolving COVID-19 situation in India due to the second wave and will undertake necessary steps for the rationalisation of Capital expenditure , dynamically managing capital expenditure and implementation of further cash improvement measures. For FY 2021-22 , on a consolidated basis, Company expects to invest over Rs. 28,900 crores in property, plant and equipment and product development Company aims to fund total product and other investment spending with cash flows from operating activities supported by debt capital markets activities and bank funding as required.

The targets described above represent Company's current strategic objectives and do not constitute capital spending and earnings projections or forecasts. These targets are based on a range of expectations and assumptions regarding, among other things, Company's present and future business strategies, volume growth, cost efficiencies, capital spending program and the environment in which the Company operates, which may prove to be inaccurate. While the Company does not undertake to update its targets, it may change its targets from time to time. Actual results may differ materially from Company's targets. Accordingly, there can be no assurance that the Company will achieve any of its targets, whether in the short, medium or long term. The occurrence of one or more of the risks described in this "Risk Factors" section, many of which are beyond Company's control and could have an immediate impact on Company's earnings and/or the probability of which may be exacerbated in the medium to long term, could materially affect Company's ability to realize the targets described above. In particular, Company's capital spending target could be affected by investment needs arising from, among other factors, electrification, emissions compliance, driver assistance, connectivity and mobility trends. Company's ability to achieve its targets may also be materially impaired by negative geopolitical and macroeconomic factors (see - " Deterioration in global economic conditions could have material adverse impact on Company's business, sales and results of operation"), the competitive nature of Company's industry, industry trends, including market and competitive forces (such as higher incentives), new or the expansion of existing regulatory constraints, reduced customer demand for the Company's vehicles, significant increases in Company's cost base, unexpected delays or failure in implementing or realizing the benefits of Company's investments and the impact of its new capitalization policy

The electric vehicle market and related opportunities may not evolve as anticipated.

There is a global trend, particularly in developed markets, towards increased use of electric vehicles (including hybrids) and policies supporting vehicle electrification. The UK government has recently

announced that the phase-out date for the sale of new petrol and diesel cars and vans has been brought forward to 2030 from the previous date of 2035, while the governments of other countries including Norway and the Netherlands have announced goals of banning new petrol and diesel cars. The Indian Government has also been encouraging adoption of electric vehicles and is working closely with the industry to address challenges and accelerate the adoption of electric vehicles in India. As Company considers its strategy, it may over time increase its focus on the production of electric vehicles, make more investments in this area and position itself as a leading producer of electric vehicles. Sales of electric vehicles are hard to predict as consumer demand may fail to shift in favour of electric vehicles and this market segment may remain small relative to the overall market for years to come. Consumers may remain or become reluctant to adopt electric vehicles due to the lack of fully developed charging infrastructure, long charging times or increased costs of purchase.

In March 2018, Jaguar Land Rover announced its strategic long-term partnership with Waymo to design, engineer and produce Jaguar I-PACE vehicles for Waymo's autonomous vehicle mobility service. However, there can be no assurance that the partnership will be successful in achieving its commercial objective or that Waymo will purchase the number of vehicles contemplated by its partnership or that Jaguar Land Rover's next-generation Electric Drive Units will be successful. In June 2019, Jaguar Land Rover announced a collaboration with BMW to develop next-generation Electric Drive Units to support the advancement of electrification technologies. As with Jaguar Land Rover's partnership with Waymo, there can be no assurance that the partnership will be successful in achieving its commercial objective. If the value proposition of electric vehicles fails to fully materialize, this could have a material adverse effect on Company's business, prospects, financial condition and results of operations. In February 2021, Company's Jaguar Land Rover business announced a change in direction under the Reimagine strategy whereby Jaguar would become a pure electric (100% Battery Electric Vehicle "BEV") automotive brand from 2025. First Land Rover BEV product will be launched in 2024 and further five Land Rover models offering BEV options will be launched by 2026. (total of 6 Land Rover models offering a BEV option). Furthermore, approximately 60% of Jaguar Land Rover sales are expected to be pure BEV's by 2030 rising to 100% by 2036. There can be no assurance that the milestones set in Jaguar Land Rover's Reimagine strategy can be met on time, if at all, or that Jaguar Land Rover will be successful in meeting consumer demands with its new and/or improved products. If Jaguar Land Rover is unable to meet its BEV development goals, this could have a material adverse effect on Company's business, prospects, financial condition and results of operations.

The Company is exposed to a broad range of climate-related risks arising from both the physical and non-physical impacts of climate change and related risks, which may materially affect Company's results of operations and the markets in which it operates.

Over the past few years, the global market for automobiles, particularly in established markets, has been characterized by increasing demand for more environmentally-friendly vehicles and technologies. In light of the public discourse on climate change and volatile fuel prices, Company faces more stringent government regulations, including the imposition of speed limits and higher taxes on SUVs or premium automobiles. Several jurisdictions, such as Norway, Germany, the United Kingdom, France, the Netherlands, India and China, have announced their intention to substantially reduce or eliminate the sale of conventionally fueled vehicles in their markets in the coming decades.

The emissions levels of diesel technologies have also become the focus of legislators in the United States and European Union and some of Jaguar Land Rover's competitors have announced programs to retrofit diesel vehicles with software that will allow them to reduce emissions. Such actions by Company's competitors may require it to undertake increased research and development spending. There is a risk that these research and development activities, including retrofit software upgrades, will not achieve their planned objectives or that competitors or joint ventures set up by competitors will develop better solutions and will be able to manufacture the resulting products more rapidly, in larger quantities, with a higher quality and/or at a lower cost.

Coupled with increased consumer preferences for more environmentally-friendly and electric vehicles, failure to achieve Jaguar Land Rover's planned objectives such as execution of Jaguar Land Rover's Reimagine Strategy, or delays in developing fuel-efficient products could materially affect its ability to sell premium Passenger Cars and large or medium-sized all-terrain vehicles at current or targeted volumes and could have a material adverse effect on Company's general business activity, net assets, financial position and results of operations. There is a risk that Company's competitors will develop better solutions and manufacture the resulting products more rapidly, in larger quantities, with a higher quality and/or at a lower cost.

In addition, Company's manufacturing operations and sales may be subject to potential physical impacts of climate change, including changes in weather patterns and an increased potential for extreme weather events, which could affect the manufacturing and distribution of the Company's products, as well as the cost and availability of raw materials and components. Moreover, the increased use of car sharing services (e.g., Zipcar and DriveNow) and other innovative mobility initiatives that facilitate access to alternative modes of transport, and the increased reliance on public transportation in certain places may reduce people's dependency on private automobiles. Furthermore, non-traditional market participants and/or unexpected disruptive innovations may disrupt the established business model of the industry by introducing new technologies, distribution models and methods of transportation. A shift in consumer preferences away from private automobiles would have a material adverse effect on Company's general business activity and on Company's business, prospects, financial condition and results of operations.

Sustainability is being brought to the center of the Company's business strategy. There has been increased focus from various stakeholders towards sustainable business practices. As a responsible business and being part of the Tata Group, Tata Motors Limited is committed to significantly reduce its GHG emissions to ultimately achieve net zero emissions. The Company is working towards transitioning to improved fuel efficiency of ICE vehicles across commercial and passenger vehicles, increasing share of EVs in the product mix, significant reduction in energy consumption and increased use of renewable energy in Operations, along with Greening of the Supply Chain. With its Reimagine strategy in place, Jaguar Land Rover's aim is to achieve net zero carbon emissions across its supply chain, products and operations by 2039. If the Company is unable to achieve these objectives, it would materially and adversely affect its business and reputation.

Underperformance of Company's distribution channels may adversely affect Company's sales and results of operations.

Company's products are sold and serviced through a network of authorized dealers and service centers across India and through a network of distributors and local dealers in international markets. Any underperformance by or a deterioration in the financial condition of Company's dealers or distributors could materially and adversely affect Company's sales and results of operations. In order to optimise market performance, sales channels must be aligned to the buying habits of Company's customers, including through traditional showrooms but by also embracing increasingly more innovative sales channels such as virtual showrooms and online purchasing.

The COVID-19 pandemic enforced lockdowns across key regions have adversely affected the financial performance of the Company's dealers in FY 2020-21 and may continue to affect them in the near future.

If dealers or importers encounter financial difficulties and Company's products and services cannot be sold or can be sold only in limited numbers, the sales of such dealers and importers may be adversely affected. Additionally, if Company cannot replace the affected dealers or importers with other franchises, the financial difficulties experienced by such dealers or importers could have an indirect effect on Company's vehicle deliveries.

Consequently, Company could be compelled to provide additional support for dealers and importers and, under certain circumstances, may even take over their obligations to customers, which would adversely affect the Company's financial position and results of operations in the short-term.

Furthermore, as part of Company's global activities, it may engage with third-party dealers and distributors, whom it does not control, but who could nevertheless take actions that may have a material adverse impact on Company's reputation and business. The Company cannot assure you that it will not be held liable for any activities undertaken by such third parties.

Jaguar Land Rover is more vulnerable to reduced demand for premium performance cars and all-terrain vehicles than automobile manufacturers with a more diversified product range.

Jaguar Land Rover operates in the premium Passenger car and all-terrain vehicles segments and provides a more limited range of models than some of its competitors. Accordingly, Jaguar Land Rover's financial performance is linked to market conditions and consumer demand in those market segments. Any downturn or reduction in the demand for premium Passenger Cars and all-terrain vehicles, or any reduced demand for Jaguar Land Rover's most popular models in the geographic markets in which it operates could have a material adverse effect on Company's performance and earnings.

A decline in retail customers' purchasing power, consumer confidence or corporate customers' financial condition and willingness to invest could materially and adversely affect Company's business.

Demand for vehicles for personal use generally depends on consumers' net purchasing power, their confidence in future economic developments and changes in fashion and trends, while demand for vehicles for commercial use by corporate customers (including fleet customers) primarily depends on the customers' financial condition, their willingness to invest and available financing. The economic slowdown caused by the COVID-19 pandemic is also likely to affect consumer sentiment and demand in the short term. A decrease in potential customers' disposable income or, financial flexibility, reductions in the availability of consumer financing or used car valuations or an increase in the cost of financing may have a negative impact on demand for Company's products. A weak macroeconomic environment, combined with restrictive lending and a low level of consumer sentiment generally, may reduce consumers' net purchasing power and lead existing and potential customers to refrain from purchasing new vehicles, defer a purchase further or purchase a smaller model with less equipment at a lower price.

(see "—Deterioration or uncertainty in global economic conditions could have a material adverse impact on Company's business, sales and results of operations.").A deteriorating macroeconomic environment may disproportionately reduce demand for luxury vehicles. It also could lead to reluctance by corporate customers to invest in vehicles for commercial use and/or to lease vehicles, resulting in a postponement of fleet renewal contracts.

In recent years, the automotive industry has increasingly offered customers and dealers price reductions on vehicles and services to stimulate demand for vehicles, which has led to increased price cost of sales pressures and sharpened competition within the industry. Any of the above may have a material adverse effect on Company's revenue, financial condition and results of operations.

Company may be adversely affected by labor unrest.

All of Company's permanent employees in India, other than officers and managers, and most of Company's permanent employees in its automotive business in South Korea and the United Kingdom, including certain officers and managers, are members of labor unions and are covered by wage agreements, where applicable, with those labor unions.

In general, Company considers its labor relations with all of its employees to be good. However, in the future Company may be subject to labor unrest, which may delay or disrupt its operations in the affected regions, including impacting the acquisition of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. If work stoppages or lock-outs at Company's facilities or at the facilities of its major vendors occur or continue for a long period of time, Company's business, prospects, financial condition and results of operations may be materially and adversely affected. For example, during FY 2017-18, Company faced two standalone incidents of labor unrest in India, one at its Jamshedpur plant and the other at its Sanand plant. Although these particular issues were amicably resolved, there is no assurance that additional labor issues could not occur, or that any future labor issues will be amicably resolved.

In addition, Jaguar Land Rover engages in bi-annual negotiations in relation to wage agreements, covering approximately 16,000 of its unionized employees and a new labor agreement with the trade unions is currently under negotiations. There is a risk, however, that future negotiations could escalate into industrial action ranging from "work to rule" to a strike before a settlement is ultimately reached.

Company is exposed to operational risks, including cybersecurity risks, in connection with its use of information technology.

The Company is exposed to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes, among other things, losses that are caused by a lack of controls within internal procedures, violation of internal policies by employees, disruption or malfunction of information technology ("IT") systems, computer networks and telecommunications systems, mechanical or equipment failures, human error, natural disasters, security breaches or malicious acts by third parties (including, for example, hackers), whether affecting Company's systems or affecting those of third party providers. The Company is generally exposed to risks in the field of information technology, since unauthorized access to or misuse of data processed on its IT systems, human errors associated therewith or technological failures of any kind could disrupt Company's operations, including the manufacturing, design and engineering processes. In particular, as vehicles become more technologically advanced and connected to the internet, Company's vehicles may become more susceptible to unauthorized access to their systems. As a business with complex manufacturing, research, procurement, sales and marketing and financing operations, Company is exposed to a variety of operational risks and, if the protection measures put in place prove insufficient (especially given the harsher sanctions imposed under the new General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR")), Company's results of operations and financial condition could be materially adversely affected. In addition, Company would likely experience negative press and reputational impacts. Cybersecurity incidents could lead to loss of productivity, negative

impact on Company's reputation, and, in extreme cases, material financial loss due to business disruptions.

Company's business and prospects could suffer if it loses one or more key personnel or if it is unable to attract and retain its employees.

Company's business and future growth depend largely on the skills of its workforce, including executives,officers, and automotive designers and engineers. Autonomous driving, connected technologies, electrification and shared mobility trends are redefining conventional Auto business creating tremendous disruption and digital innovations are driving new business models. The Company's business requires an engaged workforce with core capabilities in new and emerging skill areas and a collaborative and innovative culture for its transformation to be successful. If the Company fails to develop new and flexible skills and capabilities within its workforce, or fails to hire appropriate talent, its business will lose the ability to remain flexible in a dynamic automotive industry, which is key to delivering innovative products and services. The loss of the services of one or more of key personnel could impair its ability to implement its business strategy. Any prolonged inability to continue to attract, retain or motivate Company's workforce could materially and adversely affect Company's business, financial condition, results of operations and prospects.

Company may be adversely impacted by political instability, wars, terrorism, multinational conflicts, natural disasters and epidemics

Company's products are exported to a number of geographical markets, and Company plans to further expand its international operations in the future. Consequently, Company is subject to various risks associated with conducting its business both within and outside its domestic market and its operations in markets abroad may be subject to political instability, wars, terrorism, civil disturbances, regional or multinational conflicts, natural disasters and extreme weather, fuel shortages, epidemics and pandemics (such as the ongoing COVID-19 pandemic). Any disruption of the operations of Company's manufacturing, design, engineering, sales, corporate and other facilities could materially and adversely affect its business, prospects, financial condition and results of operations. In addition, conducting business internationally, especially in emerging markets, exposes the Company to additional risks, including adverse changes in economic and government policies, unpredictable shifts in regulation, inconsistent application of existing laws and regulations, unclear regulatory and taxation systems and divergent commercial and employment practices and procedures. If any of these events were to occur, there can be no assurance that Company would be able to shift its manufacturing, design, engineering, sales, corporate and other operations to alternate sites in a timely manner, or at all. Any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability. Any significant or prolonged disruption or delay in Company's operations related to these risks could materially and adversely affect Company's business, prospects, financial condition and results of operations. See – "Company has been, and may in the future be, adversely affected by the COVID-19 pandemic, the duration and economic, governmental and social impact of which is difficult to predict, which may materially harm Company's business, prospects, financial condition and results of operations".

Terrorist attacks, civil disturbances, regional conflicts and other acts of violence, particularly in India, may disrupt or otherwise adversely affect the markets in which the Company operates its business and its profitability. India has from time to time experienced social and civil unrest and hostilities and adverse social, economic or political events, including terrorist attacks and local civil disturbances, riots and armed conflict with neighboring countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on Company's business, as well as the market for securities of Indian companies, including the Company's Shares and ADSs. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have a material adverse effect on Company's business, prospects, results of operations and financial condition, and also the market price of the Company's Shares and ADSs.

Company's business is seasonal in nature and a substantial decrease in its sales during certain quarters could have a material adverse impact on its financial performance.

The sales volumes and prices for Company's vehicles are influenced in part by the cyclicality and seasonality of demand.

In the Indian market, demand for Company's vehicles generally peaks between January and March each year, although there is a general decrease in demand during February in the lead-up to the release of the Indian annual fiscal budget. Demand is generally leaner between April and July and picks up again in the festival season from September to November, with a decline in December as customers defer purchases to the following year.

Company's Jaguar Land Rover business is impacted by the biannual registration of vehicles in the United Kingdom where the vehicle registration number changes every March and September, which leads to an increase in sales during these months, and, in turn, impacts the resale value of vehicles. Most other markets, such as the United States, are influenced by the introduction of new-model-year products, which typically occurs in the autumn of each year. Furthermore, in the United States, there is some seasonality in the purchasing pattern of vehicles in the northern states for Jaguar where there is a concentration of vehicle sales in the spring and summer months and for Land Rover, where the trend for purchasing 4x4 vehicles is concentrated in the autumn and winter months. Markets in China tend to experience higher demand for vehicles around the Lunar New Year holiday, the National Day holiday and the Golden Week holiday in October. In addition, demand in Western European automotive markets tends to be softer during the summer and winter holidays. Jaguar Land Rover's cash flows are impacted by the seasonal shutdown of four of their manufacturing plants in the United Kingdom (including the Engine Manufacturing Center ("EMC") at Wolverhampton) during the Easter, summer and winter holidays.

Restrictive covenants in Company's financing agreements could limit its operations and financial flexibility and materially and adversely impact its financial condition, results of operations and prospects.

Some of Company's financing agreements and debt arrangements set limits on and/or requires it to, among other matters, obtain lender consent pledging assets as security. In addition, certain financial covenants may limit Company's ability to borrow additional funds or to incur additional liens. In the past, Company has been able to obtain required lender consent for such activities. However, there can be no assurance that the Company will be able to obtain such consents in the future. On June 30, 2020, Company notified one of its Indian lenders in respect of its ₹2,700 crores loan facility that as at June 30, 2020, the Company had failed to maintain one of the financial ratios under the terms of the loan facility. The Company received confirmation from the lender that it has approved an increase in such threshold and has given waiver of the Company's failure to maintain the relevant financial ratio for FY 2020-21 and FY 2021-22. Further, the Company has received confirmation from another lender on its ₹3,000 crores loan facility, that it has given a waiver of the Company's failure to maintain this ratio before March 31, 2023. If Company's liquidity needs or growth plans require such consents and such consents are not obtained in the future, Company may be forced to forego or alter its plans, which could materially and adversely affect its business, prospects, financial condition and results of operations.

In addition, in the event Company breaches these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately and/or result in increased costs. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and the outstanding amounts under such other financing agreements becoming due and payable immediately. Defaults under one or more of Company's financing agreements could have a material adverse effect on its business, prospects, financial condition and results of operations.

Future pension obligations may prove more costly than currently anticipated and the market value of assets in Company's pension plans could decline.

The Company provides post-retirement and pension benefits to its employees, including defined benefit plans. The Company's pension liabilities are generally funded. However, lower returns on pension fund assets, changes in market conditions, interest rates or inflation rates, and adverse changes in other critical actuarial assumptions, may impact its pension liabilities or assets and consequently increase funding requirements. Further, any changes in government regulations, may adversely impact the pension benefits payable to the employees, which could materially decrease Company's net income and cash flows.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and the Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Jaguar Land Rover provides post-retirement and pension benefits to its employees, some of which are defined benefit plans. As part of Jaguar Land Rover's strategic business review process, Jaguar Land Rover closed its defined benefit pension plans to new joiners as of April 19, 2010. All new Jaguar Land Rover employees in its United Kingdom operations from April 19, 2010 have joined a new defined contribution pension plan. Under the arrangements with the trustees of the defined benefit pension schemes, an actuarial valuation of the assets and liabilities of the schemes is undertaken every three years in order to determine cash funding rates. As a result of the April 2018 valuation process, a funding deficit of GBP554 million was disclosed and Jaguar Land Rover agreed to a schedule of contributions with the trustee which, together with the expected investment performance of the assets of the schemes, is expected to eliminate the deficit by 2028. Cash contributions towards the deficit will be GBP60 million each year until FY 2020-24 followed by GBP25 million each year until the financial year ending March 31, 2028. In addition, Jaguar Land Rover will make up payments deferred (from April 2020 to June 2020) due to the COVID-19 pandemic over FY 2020-22. The revised schedule of contributions also reflects the reduced ongoing cost of benefit accrual of approximately 22% for FY 2019-20 and approximately 21% for FY 2020-21 and Fiscal 2022 following changes implemented on April 5, 2017 (compared to a previous rate of approximately 31%). The 2021 statutory valuation process has started and is expected to be completed by June 30, 2022. As of March 31, 2021, on an accounting basis, Jaguar Land Rover's United Kingdom defined benefit pension deficit was GBP 387 million, compared to a surplus of GBP 380 million as of March 31, 2020. This change was primarily driven by an increase in pension liabilities as a result of lower discount rates and higher inflation rate assumptions applied, compared to the prior year.

Company may be materially and adversely affected by the divulgence of confidential information.

Although Company has implemented policies and procedures to protect confidential information, such as key contractual provisions, future projects, financial information and customer records, such information may be divulged as a result of internal leaks, hacking, other threats from cyberspace or other factors. If confidential information is divulged, the Company could be subject to claims by affected parties, regulatory penalties, negative publicity and loss of proprietary information, all of which could have an adverse and material impact on Company's reputation, business, financial condition, results of operations and cash flows.

Company's business could be negatively affected by the actions of activist shareholders.

Certain shareholders of the Company may from time to time advance shareholder proposals or otherwise attempt to effect changes at the Company, influence elections of the directors of the Company ("Directors") or acquire control over its business. Company's success depends on the ability of its current management team to operate and manage effectively. Campaigns by shareholders to effect changes at publicly listed companies are sometimes led by investors seeking to increase short-term shareholder value by advocating corporate actions such as financial restructuring, increased borrowing, special dividends, stock repurchases or even sales of assets or the entire company, or by voting against proposals put forward by the board of directors of the Company (the "Board") and its management. If faced with actions by activist shareholders, the Company may not be able to respond effectively to such actions, which could be disruptive to its business.

Company relies on licensing arrangements with Tata Sons Private Limited to use the "Tata" brand. Any improper use of the associated trademarks by Company's licensor or any other third parties could materially and adversely affect Company's business, financial condition and results of operations.

Company's rights to its trade names and trademarks are a crucial factor in marketing its products. Establishment of the "TATA" word mark and logo mark in and outside India is material to Company's operations. The Company has licensed the use of the "TATA" brand from its Promoter, Tata Sons Private Limited ("Tata Sons"). If Tata Sons, or any of its subsidiaries or affiliated entities, or any third party uses the trade name "TATA" in ways that adversely affect such trade name or trademark, Company's reputation could be affected, which, in turn, could have a material adverse effect Company's business, prospects, financial condition and results of operations.

Inability to protect or preserve Company's intellectual property could materially and adversely affect its business, financial condition and results of operations.

Company owns or otherwise has rights in respect of a number of patents and trademarks relating to the products it manufactures. In connection with the design and engineering of new vehicles and the enhancement of existing models, Company seeks to regularly develop new technical designs and innovations. The Company also uses technical designs that are the intellectual property of third parties with such third parties' consent. These patents, trademarks and licenses have been of value in the growth of the Company's business and may continue to be of

value in the future. Although the Company does not regard any of its businesses as being dependent upon any single patent or related group of patents, any material inability to protect such intellectual property generally, or the illegal breach of some or a significant amount of its intellectual property rights, may have a materially adverse effect on its operations, business and/or financial condition. The Company may also be affected by restrictions on the use of intellectual property rights held by third parties, and it may be held liable for the infringement of the intellectual property rights of others in its products. Moreover, intellectual property laws of some foreign countries may not protect the Company's intellectual property rights to the same extent as U.S. or United Kingdom laws.

Jaguar Land Rover may incur significant costs to comply with, or face civil and criminal liability for infringements of, the European General Data Protection Regulation.

The European Union's General Data Protection Regulation (the "GDPR") came into force in 2018. The GDPR is a uniform framework setting out the principles for legitimate data processing. The new regime may impose a substantially higher compliance burden on the Jaguar Land Rover and limit its rights to process personal data, lead to cost intensive administration processes, oblige it to provide the personal data that it records to customers in a form that would require additional administrative processes or require substantial changes in its IT environment. Additionally, there are much greater sanctions in case of violations of the GDPR requirements compared to the previous regime. These sanctions depend on the nature of the infringed provision and may consist of civil liabilities and criminal sanctions. The Company's failure to implement and comply with the GDPR could significantly affect its reputation and relationships with its customers and suppliers, and civil and criminal liabilities for the infringement of data protection rules could have a significant negative effect on its financial position.

Some of Company's vehicles make use of lithium-ion battery cells, which have been observed in some non-automotive applications to catch fire or vent smoke and flames, and such events have raised concerns, and future events may lead to additional concerns, about the safety of the batteries used in automotive applications.

The battery packs that Company uses, and expects to continue to use, in its electric vehicles make use of lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain in a manner that can ignite nearby materials as well as other lithium-ion cells.

In addition, Jaguar Land Rover stores a significant number of lithium ion cells at various warehouses and at some of its manufacturing facilities.

While the Company has designed its battery packs to passively contain any single cell's release of energy without spreading to neighbouring cells, there can be no assurance that a field or testing failure of its vehicles will not occur. Furthermore, while Company has implemented safety procedures related to the handling of the cells at its manufacturing plants, there can be no assurance that a safety issue or fire related to the cells will not occur. Any such incidents may cause serious damage or injury may disrupt the operation of its facilities. In addition, any field or testing vehicle failure, even if such incident does not involve Company's vehicles, could subject it to lawsuits, product recalls, redesign efforts or negative publicity, all of which could have a material impact on Company's business, prospects, financial condition and operating results.

Any failures or weaknesses in Company's internal controls could materially and adversely affect its financial condition and results of operations.

In connection with the Company's assessment of internal control over financial reporting for FY 2019-20, it concluded that there was a material weakness pertaining to the design of controls to validate the accuracy parameters used to prepare information used in the operation of various process level and management review controls. Company believes that this material weakness has been remediated in FY 2020-21. Although Company has instituted remedial measures to address the material weakness identified and continually reviews and evaluate its internal control systems to allow management to report on the sufficiency of the Company's internal controls, the Company cannot assure you that it will not discover additional weaknesses in its internal controls over financial reporting. Further, the Company's management continually improves, simplifies and rationalizes the Company's internal control framework where possible within the constraints of existing IT systems. However, any additional weaknesses or failure to adequately remediate the existing weakness could materially and adversely affect Company's financial condition or results of operations and/or its ability to accurately report its financial condition and results of operations in a timely and reliable manner.

Company's insurance coverage may not be adequate to protect it against all potential losses to which it may be subject, which may have a material adverse effect on its business, financial condition and results of operations.

Company believes that the insurance coverage it maintains adequately covers the normal risks associated with the operation of its business, there is a risk that certain claims under Company's insurance policies may not be honored fully or timely, or would result in insufficient insurance coverage or significantly higher insurance premiums in the future. Such matters could materially affect Company's business, prospects financial condition and results of operations.

Political and Regulatory Risks

New or changing laws, regulations and government policies regarding increased fuel economy, reduced greenhouse gas and other emissions, vehicle safety and taxes, tariffs or fiscal policies may have a significant impact on Company's business.

The Company is subject to extensive governmental regulations regarding vehicle emission levels, noise, safety and levels of pollutants generated by its production facilities. The Company expects the number and extent of legal and regulatory requirements and its related costs of compliance to continue to increase significantly in the future. In Europe and the United States, for example, governmental regulation is primarily driven by concerns about the environment (including greenhouse gas emissions), fuel economy, energy security and vehicle safety. In particular, the increasingly stringent regulatory environment in the Company's industry, particularly with respect to vehicle emission regulations, is leading to heightened regulatory scrutiny and more investigations into vehicle manufacturers. Jaguar Land Rover may also be subject to randomized testing and similar inquiries by regulatory authorities with a focus on emissions and environmental performance. In China, increasingly stringent tailpipe emissions and other regulations have been introduced by the Chinese government in the short-to-medium term future to reduce greenhouse gas emissions and improve air quality standards. Requirements to optimize vehicles in line with

these governmental actions could significantly affect Company's plans for global product development and may result in substantial costs, including significant fines and penalties in cases of non-compliance. These requirements may also result in limiting the types and amounts of vehicles the Company sells and where it sells them, which may affect Company's revenue.

To comply with current and future environmental norms, the Company may have to incur additional capital expenditures and research and development expenditures to upgrade products and manufacturing facilities, install new emission controls or reduction technologies and purchase or otherwise obtain allowances to emit greenhouse gases, which may have an impact on its cost of production. If the Company is unable to develop commercially viable technologies or otherwise attain compliance within the time frames set by new standards, the Company could face significant civil penalties or be forced to restrict product offerings drastically to remain in compliance. For example, in the United States, manufacturers are subject to substantial civil penalties if they fail to meet federal CAFE standards. These penalties are calculated at US$5.50 for each tenth of a mile below the required fuel-efficiency level for each vehicle sold in a model year in the U.S. market up to and including the 2021 model year vehicles. Beginning with the 2022 model year vehicles, the rate is expected to increase to $14.00, to be followed by index-linked annual increases thereafter. Since 2010, Jaguar Land Rover has paid total penalties of US$46 million for its failure to meet CAFE standards. In addition, as at March 31, 2021, a provision of GBP75 million was held to face the possible fine from European and United Kingdom regulators for failing to meet emission reduction targets. Further, post-Brexit, United Kingdom emissions will be calculated separately from European emissions as a result of which there is a possibility of increased penalties. Since 2011, Jaguar Land Rover has purchased approximately US$109 million in credits from third party original equipment manufacturers ("OEMs") to offset its NHTSA, EPA and California Air Resources Board ("CARB") penalties. Additionally, Jaguar Land Rover expects to buy approximately US$12 million in credits in FY 2020-21 from third party OEMs to offset its expected NHTSA and EPA penalties for model year 2019 vehicles. Jaguar Land Rover could incur a substantial increase in these penalties, including as a result of increases in CAFE civil penalties to adjust for inflation. Additionally, Jaguar Land Rover expects to continue incurring approximately GBP12 million in FY 2020-21 for credit purchases in China and Jaguar Land Rover expects those annual costs to rise going forward, primarily as a result of increasing costs of new energy vehicle Credits. Jaguar Land Rover's Reimagine strategy aims to expand their pure battery electric offering from 2024, which supports JLR's aim to reach fleet CO2 compliance with consideration for global measures to support net zero ambitions as well as forecast stringent CO2 / Greenhouse gas ("GHG") regulations including the proposed ban on the sale of vehicles powered solely by internal combustion engine from 2030 allowing continuation of Plug-in Hybrid Electric (PHEV) vehicles, and the total ban of all internal combustion engines including PHEV from 2035 in the United Kingdom and similar initiatives by other governments.

Moreover, safety and environmental standards may at times impose conflicting imperatives, which would pose engineering challenges and, among other things, increase Company's costs. While the Company is pursuing the development and implementation of various technologies in order to meet the required standards in the various countries in which it sells its vehicles, the costs of compliance with these standards could be significant to Jaguar Land Rover operations and may materially and adversely affect its business, prospects, financial condition and results of operations. The Motor Vehicle (Amendment) Act 2019 has been published on August 9, 2019. This Act addresses vehicle recalls, road safety, traffic management and accident insurance, among other matters. The Act imposes civil and criminal liability on manufacturers selling vehicles in contravention of the standards specified in the Act, or required by the government to recall their vehicles.

Commencing July 1, 2017, the Government of India, in conjunction with the state governments, effected comprehensive changes to the Indian taxation regime, which, among other matters introduced a comprehensive national goods and services tax ("GST") regime to subsume a large number of central government and state government taxes into one unified tax structure. It is a dual GST with central government and state government simultaneously levying it on the common base. The tax is called Central GST, if levied by the central government; state union territory GST, in instances where the state or union territory levies the tax; and integrated GST, in instances where the GST is levied on the inter-state supply of goods and services. While both the central and state governments have publicly announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information or alignment of industrial policy of various state government to cover GST or to protect the quantum of incentive available to industries in pre-GST regime, the Company is unable to provide any assurance as to this or any other aspect of the tax regime, or guarantee that the implementation of GST will not materially or adversely affect its business, prospects, financial condition and results of operations.

Imposition of any additional taxes and levies designed to limit the use of automobiles and changes in corporate and other taxation policies, as well as changes in export and other incentives given by various governments or import or tariff policies, could adversely affect the demand for Jaguar Land Rover vehicles and its results of operations.

In addition, the United Kingdom announced that, from April 2020, a 2% digital services tax could be imposed on the United Kingdom revenue of digital services businesses (such as social media networks, search engines and online marketplaces) In particular, the digital service tax applies to businesses if their worldwide revenue from digital activities is more than GBP 500 million and more than GBP 25 million of this revenue is derived from United Kingdom users.. As a response to this proposal, the United States Treasury indicated that such digital services tax could have a discriminatory effect on U.S. multinational digital companies and warned that the United States could take retaliatory actions, such as in the form of a tax on United Kingdom car exports to the United States, should the new digital services tax be imposed. Moreover, any countermeasures to such additional tariffs by regional or global trading partners, including the European Union and China, could slow down global economic growth and decrease global demand for automobiles and automobile components. Furthermore, in recent years, Brazil has increased import duty on foreign vehicles, along with related exemptions provided certain criteria are met.

Regulations in the areas of investments, taxes and levies may also have a materially adverse impact on Indian securities, including the Company's Shares and ADSs.

Any future potential or real unexpected change in law could have a material adverse effect on Company's business prospects, results of operations and financial condition.

Company may be affected by competition laws in India and any adverse application or interpretation of the Competition Act could adversely affect its business.

The Indian Competition Act, 2002 (the "Competition Act") oversees practices having an appreciable adverse effect on competition ("AAEC") in a given relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC, is considered void and results in imposition of substantial penalties. All agreements entered into by the Company could be within the purview of the Competition

Act. Furthermore, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, sharing the market by way of geographical area or number of subscribers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

In 2011, the Government of India brought into force the combination regulation (merger control) provisions under the Competition Act.. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset- and turnover-based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "CCI"). Additionally, in 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011 (as amended), which sets out the mechanism for the implementation of the merger control regime in India. CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India.

In 2011, complaints were filed with the CCI against certain automakers on the ground that the genuine spare parts of automobiles manufactured by the OEMs were not made freely available in the open market in India and, accordingly, anti-competitive practices were carried out by the OEMs for being indulged in anti-competitive practices. CCI ordered investigation on the same. Later on, the Director General (DG) expanded the scope of investigation to other car manufacturers operating in India, including Tata Motors Limited.

In 2014, the CCI held that the automobile manufacturers, including Tata Motors Limited, had indulged in anti-competitive practices and imposed a penalty of 2% of their total turnover in India. Tata Motors Limited was ordered to pay a penalty of ₹1,346.46 crores within a period of 60 days of the receipt of order. Tata Motors challenged the order of CCI in Delhi High Court on constitutional issues. In 2019, the High Court allowed the Writ petitions partly by striking down Section 22(3) of the Competition Act. Also in 2019, the Supreme Court, extended the relief that was granted by Delhi High Court during the pendency of the matter before it. As of the date of this annual report, the matter remains to be listed for further proceedings in due course.

In another matter, two of the Company's ex-dealers filed information with the CCI alleging that the Company engaged in anti-competitive practices by colluding with its finance subsidiaries (TMFL and TMFSL) and abused its dominance in the market. In May 2021, the CCI issued an order directing the director general of the CCI to initiate an investigation against TML, but did not otherwise make any final or binding observations or determinations (including with respect to any possible penalties or fines) with regard to the allegations. As of the date of this annual report on, the Company has not received any notice or query from the director general of the CCI. As of the date of this annual report , Company is preparing internally to respond to any queries from the director general of the CCI.

The Company's business, prospects, financial condition and results of operations would be materially and adversely affected by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act.

Compliance with new or changing corporate governance and public disclosure requirements adds uncertainty to Company's compliance policies and increases its costs of compliance

The Company is subject to a complex and continuously changing regime of laws, rules, regulations and standards relating to accounting, corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and U.S. Securities and Exchange Commission (the "SEC") regulations, Securities and Exchange Board of India (the "SEBI") regulations, New York Stock Exchange (the "NYSE") listing rules, and the Companies Act, as well as Indian stock market listing regulations. New or changed laws, rules, regulations and standards may lack specificity and be subject to varying interpretations. Under applicable Indian laws, for example, remuneration packages may, in certain circumstances, require shareholders' approval. New guidance and revisions may be provided by regulatory and governing bodies, which could result in continuing uncertainty and higher costs of compliance. The Company is committed to maintaining high standards of corporate governance and public disclosure. However, the Company's efforts to comply with evolving regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management resources and time. In addition, there can be no guarantee that the Company will always succeed in complying with all applicable laws, regulations and standards.

The Companies Act has effected significant changes to the existing Indian company law framework, such as in the provisions related to the issue of capital, disclosures in offering documents, corporate governance, accounting policies and audit matters, related party transactions, class action suits against companies by shareholders or depositors, prohibitions on loans to directors and insider trading, including restrictions on derivative transactions concerning a company's securities by directors and key managerial personnel. The Companies Act may subject the Company to higher compliance requirements, increase its compliance costs and divert management's attention. The Company is also required to spend, in each financial year, at least 2% of its average net profits during the three immediately preceding financial years, calculated for Tata Motors Limited on a standalone basis under Ind AS, toward corporate social responsibility activities. Furthermore, the Companies Act imposes greater monetary and other liability on the Company and its Directors for any non-compliance. Due to limited relevant jurisprudence, in the event that the Company's interpretation of the Companies Act differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government of India in the future, the Company may face regulatory actions or be required to undertake remedial steps. In addition, some of the provisions of the Companies Act overlap with other existing laws and regulations (such as corporate governance provisions and insider trading regulations issued by SEBI). SEBI promulgated the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") which are applicable to all Indian companies with listed securities. Pursuant to the Listing Regulations, the Company is required to establish and maintain a vigilance mechanism for Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct (the "Tata Code of Conduct") or ethics policy under the Company's whistleblower policy (the "Whistleblower Policy"), to implement increased disclosure requirements for price sensitive information and to conduct detailed director familiarization programs and comprehensive disclosures thereof, in accordance with the Listing Regulations. . While the Company has been able to comply with such requirements to date,

it cannot assure you that it will be able to maintain compliance with such requirements in the future. Furthermore, the Company cannot currently determine the impact of certain provisions of the Companies Act and the revised SEBI corporate governance standards. Any increase in Company's compliance requirements or associated costs may have a material and adverse effect on the Company's business, prospects, financial condition and results of operations.

The Company is subject to risks associated with legal proceedings and governmental investigations, including potential adverse publicity as a result thereof.

The Company is and may be involved from time to time in civil, labor, administrative or tax proceedings arising in the ordinary course of business. It is not possible to predict the potential for, or the ultimate outcomes of, such proceedings, some of which may be unfavorable to the Company. In such cases, the Company may incur costs and any mitigating measures (including provisions taken on its balance sheet) adopted to protect against the impact of such costs may not be adequate or sufficient. In addition, adverse publicity surrounding legal proceedings, government investigations or allegations may also harm the Company reputation and brands.

Furthermore, any regulatory action taken or penalties imposed by regulatory authorities may have significant adverse financial and reputational consequences on Company's business and have a material adverse effect on Company's results of operations and financial condition.

In any of the geographical markets in which the Company operates, it could be subject to additional tax liabilities.

Evaluating and estimating the Company's provision and accruals for its taxes requires significant judgement. The Company operates in multiple geographical markets and its operations in each market are susceptible to additional tax assessments and audits. The Company's collaborations with business partners are similarly susceptible to such tax assessments. Authorities may engage in additional reviews, inquiries and audits that disrupt the Company's operations or challenge its conclusions regarding tax matters. Any resulting tax assessment may be accompanied by a penalty (including revocation of a benefit or exemption from tax) or additional fee for failing to make the initial payment.

The Company's tax rates may be affected by earnings estimation errors, losses in jurisdictions that do not grant a related tax benefit, changes in currency rates, acquisitions, investments, or changes in laws, regulations, or practices. Additionally, government fiscal or political pressures may increase the likelihood of adverse or aggressive interpretations of tax laws or regulations or the imposition of arbitrary or onerous taxes, interest charges and penalties. Tax assessments may be levied even where Company considers its practices to be in compliance with tax laws and regulations. Should the Company challenge such taxes or believe them to be without merit, it may nonetheless be required to pay them. These amounts may be materially different from the Company's expected tax assessments and could additionally result in expropriation of assets, attachment of additional securities, liens, imposition of royalties or new taxes and requirements for local ownership or beneficiation.

The Company may have to comply with more stringent foreign investment regulations in India in the event of an increase in shareholding of non-residents or if it is considered as engaged in a sector in which foreign investment is restricted.

Indian companies, that are owned or controlled by non-resident persons, are subject to investment restrictions specified in the Consolidated Foreign Direct Investment Policy ("Consolidated FDI Policy"). Under the Consolidated FDI Policy issued in 2017, an Indian company is considered to be "owned" by non-resident persons if more than 50% of its equity interest is beneficially owned by non-resident persons. The non-resident equity shareholding in the Company may, in the near future, exceed 50%, thereby resulting in the Company being considered as being "owned" by non-resident entities under the Consolidated FDI Policy. In such an event, any investment by the Company in existing subsidiaries, associates or joint ventures and new subsidiaries, associates or joint ventures will be considered as indirect foreign investment and shall be subject to various requirements specified under the Consolidated FDI Policy, including sectoral limits, approval requirements and pricing guidelines, as may be applicable.

Furthermore, as part of the Company's automotive business, it supplies, and has in the past supplied, vehicles to Indian military and paramilitary forces and in the course of such activities has obtained an industrial license from the Department of Industrial Policy. The Consolidated FDI policy applies different foreign investment restrictions to companies based upon the sector in which they operate. While the Company believes it is an automobile company by virtue of the significance of its automobile operations, in the event that foreign investment regulations applicable to the defense sector (including under the Consolidated FDI Policy) are made applicable to the Company, it may face more stringent foreign investment restrictions and other compliance requirements compared to those applicable to it presently, which, in turn, could materially affect the Company's business, prospects, financial condition and results of operations.

Company requires certain approvals or licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner, or at all, could materially and adversely affect its operations.

The Company requires certain statutory and regulatory permits, licenses and approvals to carry out its business operations The Company's ability to obtain such permits, licenses and approvals depends, among other matters, on the information it provides as part of the application processes, as well as the internal review and consideration processes of the various issuing agencies. While the Company makes every effort to obtain the necessary permits, licenses or approvals, and their renewals, it cannot assure you that it will receive them in a timely manner, or at all.

In addition, there is a risk that any approvals, licenses, registrations and permits issued to the Company would be suspended or revoked in the event of non-compliance or alleged non-compliance by the Company with any terms or conditions thereof, or pursuant to any regulatory action.

Any of the above could materially and adversely affect the Company's business, prospects, financial condition and results of operations.

Risks Associated with Investments in an Indian Company

Political changes in the Government of India could delay and/ or affect the further liberalization of the Indian economy and materially and adversely affect economic conditions in India, generally, and the Company's business, in particular.

The Company's business could be significantly influenced by economic policies adopted by the Government of India. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. The Government of India has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. However, protests against such policies, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. The Company's business and the market price and liquidity of the Company's Shares and ADSs may be affected by interest rates, changes in policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Any significant change in the Government of India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally, and could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact the Company's business.

Any adverse revisions to India's credit ratings for domestic and international debt by rating agencies could adversely impact the Company's ability to raise additional financing, as well as the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on the Company's financial results, business prospects, ability to obtain financing for capital expenditures and the price of the Company's Shares and ADSs.

The Company may be materially and adversely affected by Reserve Bank of India policies and actions.

The Indian stock exchanges are vulnerable to fluctuations based on changes in monetary policy formulated by the RBI. The Company can make no assurance about future market reactions to RBI announcements and their impact on the price of the Company's Shares and ADSs. Furthermore, the Company's business could be significantly impacted were the RBI to make major alterations to monetary or fiscal policy. Certain changes, including the changes to interest rates, could negatively affect the Company's sales and consequently its revenue, which could have a material adverse effect on the Company's business, prospects, financial condition and results of operations. While the RBI has initiated several relief measures over the course of 2020, such as providing moratorium on loans, relaxing provisioning norms towards certain loans and taking other measures to enhance liquidity for NBFCs, there remains a considerable uncertainty evolving around the COVID-19 pandemic and further relief measures and policy actions may be needed to assist economic recovery.

Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

The memorandum and articles of association of the Company (the "Articles of Association") and Indian law govern the Company's corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions, including the United States. You may also have more difficulty in asserting your rights as a shareholder of the Company than you would as a shareholder of a corporation organized in another jurisdiction.

The market value of your investment may fluctuate due to the volatility of the Indian securities market.

Stock exchanges in India, including BSE Limited (the "BSE") have, in the past, experienced substantial fluctuations in the prices of their listed securities. Such fluctuations, if they continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Company's Shares and in turn the Company's ADS's. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Volatility in other stock exchanges, including, but not limited to, those in the United Kingdom and China, may affect the prices of securities in India, including the Company's Shares, which may in turn affect the price of the Company's ADSs. In addition, the governing bodies of the stock exchanges in India have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

There may be a differing level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, compared to the United States. For example, while SEBI has prescribed regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities market, there may, still be less publicly available information about Indian companies than for United States domestic companies.

Investors may have difficulty enforcing judgments against the Company or its management.

The Company is a public limited company incorporated in India. The majority of the Company's Directors and executive officers are residents of India and substantially all of the assets of those persons and a substantial portion of the Company's assets are located in India. As a result, it may not be possible for you to effect service of process within the United States upon those persons or it may be difficult to effect service of process within the United States on the Company. In addition, you may be unable to enforce judgments obtained in courts of the United States against those persons outside the jurisdiction of their residence, including judgments predicated solely upon U.S. federal securities laws. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with public policy.

Section 44A of the Indian Code of Civil Procedure, 1908, as amended (the "Civil Code") provides that where a foreign judgment has been rendered by a superior court (within the meaning of the section) in any country or territory outside of India which the Government of India has by notification declared to be a reciprocating territory, such foreign judgment may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. However, the enforceability of such judgments is subject to the exceptions set forth in Section 13 of the Civil Code.

Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards.

If a judgment of a foreign court is not enforceable under Section 44A of the Civil Code as described above, it may be enforced in India only by a suit filed upon the judgment, subject to Section 13 of the Civil Code and not by proceedings in execution. Accordingly, as the United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A, a judgment rendered by a court in the United States may not be enforced in India except by way of a suit filed upon the judgment.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the resolution of suits by Indian courts.

A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI, under the Foreign Exchange Management Act, 1999 ("FEMA") to repatriate any amount recovered pursuant to such enforcement. Any judgment in a foreign currency would be converted into Indian rupees on the date of judgment and not on the date of payment.

Risks Associated with the Company's Shares and ADSs

Fluctuations in the exchange rate between the Indian rupee and the U.S. dollar may have a material adverse effect on the market value of the Company's ADSs and Shares, independent of the Company's operating results.

The exchange rate between the Indian rupee and the U.S. dollar has been volatile in the past and may materially fluctuate in the future. Fluctuations in the exchange rate between the Indian rupee and the U.S. dollar may affect, among others things, the U.S. dollar equivalents of the price of the Company's Shares in Indian rupees as quoted on stock exchanges in India and, as a result, the market price of the ADSs. Such fluctuations may also affect the U.S. dollar equivalent of any cash dividends in Indian rupees received on the Shares represented by the ADSs and the U.S. dollar -equivalent of the proceeds in Indian rupee of a sale of Shares in India.

Holders of ADSs have fewer rights than shareholders and must act through the depositary to exercise those rights.

Although ADS holders have a right to receive any dividends declared in respect of the Shares underlying the ADSs, they cannot exercise voting or other direct rights as a shareholder with respect to the Shares underlying the ADSs. Citibank, N.A. as depository (the "depositary") is the registered shareholder of the deposited Shares underlying the Company's ADSs, and only the depositary may exercise the rights of shareholders in connection with the deposited Shares. The depositary will notify ADS holders of upcoming votes and arrange to deliver the Company's voting materials to ADS holders only if requested by the Company. The depositary will try, insofar as practicable, subject to Indian laws and the provisions of the Articles of Association, to vote or have its agents vote the deposited securities as instructed by the ADS holders. If the depositary receives voting instructions in time from an ADS holder which fails to specify the manner in which the depositary is to vote the Shares underlying such ADS holder's ADSs, such ADS holder will be deemed to have instructed the depositary to vote in favor of the items set forth in such voting instructions. If the depositary does not receive timely instructions from an ADS holder, such ADS holder shall be deemed to have instructed the depositary to give a discretionary proxy to a person designated by us, subject to the conditions set forth in the deposit agreement. If requested by the Company, the depositary is required to represent all Shares underlying ADSs, regardless of whether timely instructions have been received from such ADS holders, for the sole purpose of establishing a quorum at a meeting of shareholders.

In addition, in your capacity as an ADS holder, you will not be able to examine the Company's accounting books and records, or exercise appraisal rights. Registered holders of the Company's Shares withdrawn from the depositary arrangements will be entitled to vote and exercise other direct shareholder rights in accordance with Indian law. However, a holder may not know about a meeting sufficiently in advance to withdraw the underlying Shares in time. Furthermore, an ADS holder may not receive voting materials, if the Company does not instruct the depositary to distribute such materials, or may not receive such voting materials in time to instruct the depositary to vote.

ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when the Company's books or the books of the depositary are closed, or at any time if the Company or the depositary deem it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement (as defined below), or for any other reason.

Moreover, pursuant to Indian regulations, the Company is required to offer its shareholders preemptive rights to subscribe for a proportionate number of Shares to maintain their existing ownership percentages prior to the issue of new Shares. These rights may be waived by a resolution passed by at least 75% of the shareholders of the Company present and voting at a general meeting. ADS holders may be unable to exercise preemptive rights for subscribing to these new Shares unless a registration statement under the Securities Act is effective or an exemption from the registration requirements is available to us. The Company's decision to file a registration statement would be based on the costs, timing, potential liabilities and the perceived benefits associated with any such registration statement and the Company does not commit that it would file such a registration statement. If any issue of securities is made to the shareholders of the Company in the future, such securities may also be issued to the depository, which may sell such securities in the Indian securities market for the benefit of the holders of ADSs. There can be no assurance as to the value, if any, the depositary would receive upon the sale of such rights or securities. To the extent that ADS holders are unable to exercise preemptive rights, their proportionate ownership interest in the company would be reduced.

The Government of India's regulation of foreign ownership could materially reduce the price of the ADSs.

Foreign ownership of Indian securities is regulated and is partially restricted. In addition, there are restrictions on the deposit of Shares into the Company's ADS facilities. ADSs issued by companies in certain emerging markets, including India, may trade at a discount to the market price of the underlying Shares, in part because of the restrictions on foreign ownership of the underlying Shares and in part because ADSs are sometimes perceived to offer less liquidity than underlying Shares that can be traded freely in local markets by both local and international investors.

There are restrictions on daily movements in the price of the Shares, which may constrain a shareholder's ability to sell, or the price at which a shareholder can sell, Shares at a particular point in time.

The Shares are subject to a daily circuit breaker imposed by stock exchanges in India on publicly listed companies that includes the Company, which does not allow transactions causing volatility in the price of the Shares above a certain threshold. This circuit breaker operates independently from the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Company's circuit breaker is set by the stock exchanges in India based on the historical volatility in the price and trading volume of the Company's Shares. The stock exchanges in India are not required to inform the Company of the percentage limit of the circuit breaker from time to time, and may change it without the Company's knowledge. This circuit breaker effectively acts to limit the upward and downward movements in the price of the Company's Shares. As a result of this circuit breaker, the Company cannot make any assurance regarding the ability of the shareholders of the Company to sell their Shares or the price at which such shareholders may be able to sell their Shares. With effect from April 1, 2018, any gain realized on the sale of the Shares will be subject to capital gains tax in India.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As a Tata Company, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. As a global organisation, the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making.

The Company has adopted the Tata Code of Conduct for its employees, including the Managing and Executive Directors, which encompasses an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. In addition, the Company has adopted a Code of Conduct for its Non-executive Directors which includes a Code of Conduct for Independent Directors, as specified under Schedule IV of the Act and Regulation 26(3) of the SEBI Listing Regulations. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of the Company as on March 31, 2021 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO & MD is reproduced at the end of this Report on Corporate Governance. The Corporate Governance mechanism is further strengthened with adherence to the Tata Business Excellence Model, as a means to drive excellence and the Balanced Scorecard methodology, for tracking progress on long-term strategic objectives and the adoption of the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (Insider Trading Code), pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also adopted the Governance Guidelines on Board Effectiveness based on best practices from both within and outside the Tata Companies. The Company is in full compliance with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI Listing Regulations'). The Company's Depositary Programme is listed on the New York Stock Exchange (NYSE) and the Company also complies with US regulations as applicable to Foreign Private Issuers (non-US companies listed on a US Exchange) which cast upon the Board of Directors and the Audit Committee, onerous responsibilities to improve the Company's operating and financial efficiencies. Risk management and the internal control process are focus areas that continue to meet the progressive governance standards. The Company has instated a comprehensive, robust, IT-enabled compliance management system for tracking, managing and reporting on compliances with all laws and regulations applicable to the Company. The Management on a quarterly basis presents before the Board of Directors a status report on regulatory compliances, as applicable to the Company.

BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by shareholders, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management as also monitors the performance of the Company with the objective of creating long-term value for the Company's stakeholders. As on date of this report, the Board comprises of 8 Directors, out of which 7 Directors (87.50%) are Non-Executive Directors. The Company has a Non-Executive Chairman and 4 Independent Directors ('IDs'), including 2 women IDs, comprise half of the total strength of the Board. All IDs have confirmed in accordance with Regulation 25(8) of the SEBI Listing Regulations that they meet the independence criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Act and the rules framed thereunder. The IDs have further stated that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent, judgment and without any external influence. The Company has received confirmation from all the existing IDs of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Based on the disclosures received from all the IDs and as determined at the meeting held on May 18, 2021, the Board is of the opinion that the IDs fulfill the conditions of Independence as specified in the Act, NYSE listing manual and SEBI Listing Regulations and are independent of the Management.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies. None of the Directors on the Company's Board hold the office of Director in more than 20 companies, including 10 public companies and none of the Directors of the Company are related to each other. None of the IDs serve as IDs in more than 7 listed entities and none of the IDs are Whole-time Directors / Managing Directors in any listed entity. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees [the committees being, Audit Committee and Stakeholders' Relationship Committee] across all public limited companies in which he/she is a Director. All Non-Independent Non-Executive Directors ('NINEDs') are liable to retire by rotation.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussions and consideration at Board Meetings.

Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Indian Stock Exchanges, including details on all material transactions with related parties, within 15 days from the close of every quarter. The CEO & MD and the CFO have certified to the Board on inter alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended March 31, 2021.

During the year under review, 9 Board Meetings were held on May 15, 2020, June 15, 2020, July 31, 2020, September 16, 2020, October 27, 2020, December 17, 2020, January 29, 2021, February 12, 2021 and March 15, 2021. The agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis, by uploading them on a secured online application, thereby eliminating circulation of printed agenda papers.

The following table, illustrates the composition of the Board, Director's attendance at Board Meetings held during the financial year under review and at the last AGM, number of Directorships held in other listed public companies, total number of committee positions held in other public companies, their shareholding in the Company's shares or other convertible instruments and names of other listed entities in which Directorship is held, including category of Directorships, as at March 31, 2021 :

Name of Director, Director Identification Number & Category	No. of Board Meetings attended in the year	Attendance at the last AGM	No. of Directorships in other public companies (1)		No. of Committee positions in other public companies (2)		Holding in Company's shares & other convertible instruments	Directorships in other listed entities (Category of Directorship)
			(C)	(M)	(C)	(M)		
Mr N Chandrasekaran DIN: 00121863 NINED (C)	9	Yes	6	-	-	-	2,00,000 Ordinary Shares	Tata Chemicals Ltd. (NINED)(C)
								Tata Consumer Products Ltd. (formerly Tata Global Beverages Limited) (NINED) (C)
								Tata Consultancy Services Ltd. (NINED) (C)
								Tata Steel Ltd. (NINED) (C)
								The Tata Power Co. Ltd. (NINED) (C)
								The Indian Hotels Co. Ltd. (NINED) (C)
Mr Om Prakash Bhatt DIN: 00548091 ID	9	Yes	-	4	2	4	-	Hindustan Unilever Ltd. (ID)
								Tata Consultancy Services Ltd. (ID)
								Tata Steel Ltd. (ID)
								Aadhar Housing Finance Ltd. (Debt listed entity) (ID)
Ms Hanne Sorensen DIN: 08035439 ID	8	Yes	-	1	-	1	-	Tata Consultancy Services Ltd. (ID)
Ms Vedika Bhandarkar DIN: 00033808 ID	9	Yes	-	5	3	5	-	Tata Investment Corporation Limited (ID)
								Tata Motors Finance Solutions Ltd. (Debt listed entity) (ID)
								Tata Motors Finance Ltd. (Debt listed entity) (ID)
								TMF Holdings Ltd. (Debt listed entity) (ID)
Mr Kosaraju V Chowdary DIN: 08485334 ID(3)	4	NA	-	3	-	4	-	Reliance Industries Limited (NINED)
								CCL Products (India) Limited (ID)
								Divi's Laboratories Limited (ID)
Mr Mitsuhiko Yamashita DIN: 08871753 NINED(4)	5	NA	-	-	-	-	-	-
Mr Thierry Bolloré DIN: 08935293 NINED(5)	5	NA	-	-	-	-	-	-
Dr Ralf Speth DIN: 03318908 NINED(6)	4	Yes	-	-	-	-	-	-
Mr Guenter Butschek DIN: 07427375 CEO & MD	9	Yes	-	1	-	-	-	-

Table Key: (C) - Chairperson; (M) – Member; NINED – Non-Independent Non-Executive Director; ID-Independent Director; CEO & MD – Chief Executive Officer & Managing Director

(1) Excludes directorship in the Company, private companies, foreign companies, Section 8 companies.

(2) Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee in other Indian public companies as per Regulation 26(1)(b) of the SEBI Listing Regulations.

(3) Appointed as an ID of the Company with effect from October 27, 2020.

(4) Appointed as an ID of the Company with effect from September 16, 2020, but underwent change in designation to NINED with effect from October 27, 2020.

(5) Appointed as a NINED of the Company with effect from October 27, 2020.

(6) Ceased to be a NINED of the Company on October 27, 2020 and the Number of Directorships, Committee positions and shareholding details are as on the date of his cessation.

The Company uses the facility of video conferencing, permitted under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, thereby saving resources and cost to the Company as well as the valued time of the Directors. Due to the exceptional circumstances caused by the COVID-19 Pandemic and consequent relaxations granted by MCA and SEBI, all meetings in FY 2020-21 were held through Video Conferencing ('VC').

Board Effectiveness Evaluation: Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted on June 9, 2020 for FY19-20 and on March 15, 2021 for FY 2020-21, involving the following:

i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and

ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

IDs' meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations was convened on June 9, 2020 and March 15, 2021, mainly to review the performance of NINEDs, Whole-time Directors ('WTDs') and the Chairman as also the Board as a whole for FY 2019-20 and FY 2020-21, respectively and the flow of information between the Board and the Management. All IDs were present at the said meetings.

The Nomination and Remuneration Committee ('NRC') of the Board of the Company has devised a policy for performance evaluation of the individual Directors, Board and its Committees, which includes criteria for performance evaluation. Pursuant to the provisions of the Act and Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the Directors as well as Committees of the Board. The Board's performance was evaluated based on inputs received from all the Directors, Board's composition and structure, effectiveness of the Board, performance of the Committees, processes and information provided to the Board, etc. The NRC has also reviewed the performance of the Individual Directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as Directors, etc.

For further details pertaining to the same kindly refer to the Board's Report.

Board Diversity: To ensure that a transparent Board nomination process is in place, that encourages diversity of thought, experience, knowledge, perspective, age and gender, the Board has adopted a Diversity Policy, formulated by the NRC, wherein it is expected that the Board has an appropriate blend of functional and industry expertise. At present, our 8 member Board of Directors, comprises of 1 Executive Director, 3 Non-Independent Non-Executive Directors and 4 Independent Directors, out of which 2 are Women Directors, While recommending appointment of a director, the NRC considers the manner in which the function and domain expertise of the individual could contribute to the overall skill-domain mix of the Board and is supported by the Group Human Resources in this regard.

Key Board Skills, Expertise and Competencies: As on March 31, 2021 the Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and Board effectiveness:

Key Board Skills / Expertise / Competencies	
Entrepreneur / Leadership	Extended entrepreneurial / leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
Engineering and Technology	Engineering and the development of new technologies involving application of scientific and mathematical knowledge to design and operation of objects, systems, and processes to help the Company solve problems and reach its goals.
Financial Expertise	Education and experience as an Auditor or Public Accountant or a principal financial officer, comptroller or principal accounting officer or holding a position involving performance of similar functions.
Global Exposure	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
Automobile Industry Experience	A significant background in automotive or similar industries, resulting in knowledge of how to anticipate market trends, generate disruptive innovation and extend or create new business models.
Diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.
Mergers and Acquisitions	Experience or record of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.
Board Service and Governance	Service on other public company boards, to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance brand reputation.

Name of Director	Entrepreneur / Leadership	Engineering & Technology	Financial Expertise	Global Exposure	Automobile Industry Experience	Diversity	Mergers & Acquisitions	Board Service & Governance	Sales & Marketing
Mr Natarajan Chandrasekaran	√	√	√	√	√	√	√	√	-
Mr Om Prakash Bhatt	√	-	√	√	-	√	√	√	-
Ms Hanne Sorensen	√	-	√	√	√	√	√	√	√
Ms Vedika Bhandarkar	√	-	√	√	√	-	√	√	√
Mr Kosaraju V Chowdary	√	-	√	-	-	√	√	√	-
Mr Mitsuhiko Yamashita	√	√	-	√	√	√	√	-	-
Mr Thierry Bolloré	√	√	-	√	√	√	√	√	√
Dr Ralf Speth	√	√	-	√	√	√	√	√	√
Mr Guenter Butschek	√	√	-	√	√	√	√	√	√

Familiarisation Programme: Pursuant to the provisions of Regulation 25(7) and Regulation 46 of the SEBI Listing Regulations, kindly refer to the Company's website https://investors.tatamotors.com/pdf/familiarisation-programme-independent-directors.pdf for details of the familiarisation programme for IDs on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

THE COMMITTEES OF THE BOARD

Given below is the composition and the terms of reference of various Board constituted Committees, *inter alia* including the details of meetings held during the year and attendance thereat. All Committee decisions are taken, either at the meetings of the Committee or by passing of circular resolutions. The Company Secretary acts as the secretary for all Board constituted Committees. The Chairperson of each Committee briefs the Board on significant discussions at its meetings. During the financial year all recommendations made by the various Committees have been accepted by the Board. The minutes of the meetings of all Committees of the Board are placed before the Board for noting.

AUDIT COMMITTEE

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Section 177 of the Act, Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and US regulations applicable to the Company and is reviewed from time to time. Whilst, the terms of reference is available on the Company's website https://investors.tatamotors.com/pdf/audit_committee_charter.pdf, given below is a gist of the responsibilities of the Audit Committee, after incorporating therein the regulatory changes mandated under the Listing Regulation:

i. Reviewing with the management, quarterly/annual financial statements before submission to the Board, focusing primarily on:

- The Company's financial reporting process and the disclosure of its financial information, including earnings, press release, to ensure that the financial statements are correct, sufficient and credible;
- Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement;
- Major accounting entries involving estimates based on exercise of judgment by Management;
- Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
- Draft Audit Report, qualifications, if any and significant adjustments arising out of audit;
- Scrutinise inter corporate loans and investments; and
- Disclosures made under the CEO and CFO certification and
- Approval or any subsequent modification of transactions with related parties, including omnibus related party transactions.

ii. Review the statement of uses/applications of funds by major category and the statement of funds utilized for purposes other than as mentioned in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights or private placement issue, and make appropriate recommendations to the Board to take up steps in this matter. These reviews are to be conducted till the money raised through the issue has been fully spent.

iii. Review with the management, statutory auditor and internal auditor, adequacy of internal control systems, identify weakness or deficiencies and recommending improvements to the management.

iv. Recommend the appointment/removal of the statutory auditor, cost auditor, fixing audit fees and approving non-audit/consulting services provided by the statutory auditors' firms to the Company and its subsidiaries; evaluating auditors' performance, qualifications, experience, independence and pending proceedings relating to professional misconduct, if any.

v. Review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the chief internal auditor, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.

vi. Discuss with the internal auditor and senior management, significant internal audit findings and follow-up thereon.

vii. Review the findings of any internal investigation into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.

viii. Discuss with the statutory auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.

ix. Review the functioning of the Vigil Mechanism under the Whistle-Blower policy of the Company.

x. Review the financial statements and investments made by subsidiary companies and subsidiary oversight relating to areas such as adequacy of the internal audit structure and function of the subsidiaries, their status of audit plan and its execution, key internal audit observations, risk management and the control environment.

xi. Look into reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.

xii. Review the effectiveness of the system for monitoring compliance with laws and regulations.

xiii. Approve the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.

xiv. To approve and review policies in relation to the implementation of the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ("Code") to note the dealings by Designated Persons in securities of the Company and to provide directions on any penal action to be initiated, in case of any violation of the Code.

The Committee comprises 4 members, all being IDs, who are financially literate and have relevant finance and/or audit exposure. Ms Vedika Bhandarkar, being the Chairperson of the Audit Committee is also the Financial Expert under the applicable Indian and US Regulations. The quorum of the Committee is two members or one-third of its members, whichever is higher, with atleast two IDs. The Chairman of the Audit Committee also attended the last AGM of the Company. Members of the Audit Committee meeting meet the Auditors before the financial results meeting. During the period under review, 9 Audit Committee meetings were held on May 15, 2020, June 9, 2020, June 15, 2020, July 24, 2020, July 31, 2020, a two-day meeting on October 26-27, 2020, December 16, 2020, a two-day meeting on January 28-29, 2021 and February 10, 2021.

The composition of the Audit Committee and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Ms Vedika Bhandarkar (Chairperson)	ID	9	9
Mr Om Prakash Bhatt	ID	9	9
Ms Hanne Sorensen	ID	9	8
Mr K V Chowdary [1]	ID	2	2

[1] Appointed as a Member of the Audit Committee with effect from January 4, 2021.

The Committee meetings are held at the Company's Corporate Headquarters or at its plant locations and are attended by the CEO & MD, CFO, Senior Management, Company Secretary, Head - Internal Audit, Statutory Auditors and Cost Auditors on a need based basis. The Business and Operation Heads are invited to the meetings, as and when required. The Head - Internal Audit reports directly to the Audit Committee to ensure independence of the Internal Audit function. During the year Mr Yamashita, as an invitee, has attended all Audit Committee Meetings, where Financial Results have been approved.

The Committee relies on the expertise and knowledge of the management, the internal auditor and the statutory auditor, in carrying out its oversight responsibilities. It also uses external expertise, if required. The management is responsible for the preparation, presentation and integrity of the Company's financial statements, including consolidated statements, accounting and financial reporting principles. The management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal controls.

B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No.101248 W/W – 100022), the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

The Audit Committee reviews on a quarterly basis the confirmation of independence made by the Auditors, as also approves of the fees paid to the Auditors by the Company, and its subsidiaries as per the Policy for Approval of Services to be rendered by Auditors. The said Policy is also available on our website https://www.tatamotors.com/investors/pdf/auditfee-policy.pdf. The Company rotates its Audit partner responsible for its Audit every 5 years, apart from the statutory requirement of rotating the Audit Firm every 10 years, to ensure independence in the audit function.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The NRC of the Company functions according to its terms of reference, that defines its objective, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and SEBI Listing Regulations. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations, are as follows:

- Recommend the set up and composition of the Board and its Committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director". The Committee periodically reviews the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise and review a policy on Board diversity.
- Recommend the appointment / reappointment or removal of Directors, in accordance with the criteria laid down, including IDs on the basis of their performance evaluation report.
- Recommend on voting on resolutions for appointment and remuneration of Directors on the Boards of its material subsidiary companies and provide guidelines for remuneration of Directors on material subsidiaries.
- Identify and recommend to the Board appointment or removal of Key Managerial Personnel ('KMP') and Senior Management of the Company in accordance with the criteria laid down. In case of appointment of CFO the Committee shall identify persons, to the Audit Committee and the Board of Directors of the Company.
- Carry out evaluation of every Director's performance and support the Board, its Committees and individual Directors, including "formulation of criteria for evaluation of Independent Directors and the Board".
- Oversee the performance review process for the KMP and Senior Management of the Company with a view that there is an appropriate cascading of Company's goals and targets and on an annual basis, review the performance of the Directors, KMP and Senior Management and recommend their remuneration.
- Recommend the Remuneration Policy for Directors, KMP, Senior Management and other employees.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Oversee familiarization programmes for Directors.

- Oversee HR philosophy, HR and people strategy and efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, KMP and Senior Management).
- Implement and administer any Employees Stock Option Scheme(s) approved by the Board and to establish, amend and rescind any rules and regulations relating to the Scheme(s), and to make any other determinations that it deems necessary or desirable in connection with the Scheme.

The NRC comprises 2 IDs and 1 NINED. The Chairperson of the NRC also attended the last Annual General Meeting of the Company. During the period under review, 6 NRC meetings were held on June 15, 2020, July 15, 2020, September 16, 2020, October 27, 2020, February 12, 2021 and March 15, 2021. The requisite quorum was present for all the meetings.

The composition of the NRC and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr Om Prakash Bhatt (Chairperson)	ID	6	6
Ms Hanne Sorensen	ID	6	6
Mr N Chandrasekaran	NINED	6	6

Remuneration Policy

The Remuneration Policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the automotive industry. For further details on Remuneration Policy for Directors, KMP and other employees, drafted in accordance with the provisions of the Act and the SEBI Listing Regulations, kindly refer to https://investors.tatamotors.com/pdf/directors-appointment-remuneration.pdf.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its MD. Annual increments are recommended by the NRC within the salary scale approved by the Board and Members and are effective April 1, each year.

The Board of Directors, on the recommendation of the NRC, decides the commission payable to the MD out of the profits for the financial year and within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the MD.

Remuneration of Directors:

Non-Executive Directors

- The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and Committee meetings and performance evaluation by the Board. Recently, the Ministry of Corporate Affairs has notified the amendments to Sections 149(9) and 197(3) of the Act by the Companies (Amendment) Act, 2020 to enable companies faced with no profits / inadequate profits to pay certain fixed remuneration to their Non-Executive Directors and Independent Directors, in accordance with the provisions of Schedule V of the Act.

  In view of the valuable services being rendered by the said Directors to the Company, as recommended by the NRC, the Board of Directors at their meeting held on May 18, 2021 approved payment of remuneration to the Non-Executive Directors and Independent Directors of the Company in accordance with the limits provided under Schedule V of the Act in case of no profits / inadequate profits for a three year period commencing from April 1, 2020 to be distributable in accordance with the directions given by the Board of Directors and shall be in addition to the sitting fees payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

  Accordingly, it is proposed to pay Remuneration to Non-Executive Directors, including Independent Directors of the Company, to be determined by the Board of Directors for each of such Non-Executive Director for each financial year and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of (a) 1% (one percent) of the net profits of the Company for that financial year computed in accordance with the provisions of Section 198 of the Act; or (b) upto an amount of ₹24 lakhs plus 0.01% of the effective capital in excess of ₹250 crores, whichever is lower, for FY2020-21, FY2021-22 and FY2022-23.

  The resolution approving the above proposal is being placed for approval of the Members in the Notice for this AGM. The Remuneration to the Non-Executive Directors for FY 2020-21 is payable subject to shareholders' approval.

- The performance evaluation criteria for Non-executive Directors, including IDs, is determined by the NRC. An indicative list of factors that were evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, role in Board constituted committees, integrity and maintenance of confidentiality and independence of behaviour and judgement.
- A sitting fee of ₹60,000/- for attendance at each meeting of the Board, Audit Committee, NRC and for IDs Meeting; ₹20,000/- for attendance at each meeting of Stakeholders' Relationship Committee; Safety, Health & Sustainability Committee, the Corporate Social Responsibility Committee, Risk Management Committee and other special need based committees, is paid to its Members (excluding Managing Director and Executive Director) and also to Directors attending by invitation. The sitting fees paid/payable to the Non Whole-time Directors is excluded whilst calculating the limits of remuneration in accordance with Section 197 of the Act. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside. As a policy, the Chairman abstains from receiving commission / remuneration from the Company. In lines with the internal guidelines of the Company, no payment is made towards commission / remuneration to Non-Executive Directors of the Company, who are in full time employment of any other Tata Company.

Given below are the Remuneration and Sitting Fees payable / paid by the Company to Non-Executive Directors during FY 2020-21:

(₹ in lakhs)

Name	Remuneration[1]	Sitting Fees
Mr N Chandrasekaran [2]	-	9.00
Mr Om Prakash Bhatt	45.00	16.00
Ms Hanne Sorensen	40.00	16.20
Ms Vedika Bhandarkar	45.00	13.00
Mr Kosaraju V Chowdary [3]	20.00	4.40
Mr Mitsuhiko Yamashita [4]	20.00	5.20
Mr Thierry Bolloré [5] [7]	-	-
Dr Ralf Speth [6] [7]	-	-
Total	**170.00**	**63.80**

(1) Payable subject to shareholders' approval at the 76th AGM of the Company.

(2) As a Policy, Mr N Chandrasekaran has abstained from receiving remuneration from the Company.

(3) Appointed as an ID of the Company with effect from October 27, 2020.

(4) Appointed as an ID of the Company with effect from September 16, 2020, but underwent change in designation to NINED with effect from October 27, 2020.

(5) Appointed as a NINED of the Company with effect from October 27, 2020.

(6) Ceased to be the NINED of the Company with effect from October 27, 2020.

(7) Dr. Speth and Mr Bolloré are not paid any remuneration or sitting fees for attending Board meetings of the Company in view of their role as Chief Executive Officer and Director of Jaguar Land Rover Automotive PLC.

Some of the aforementioned Directors are also on the Board of the Company's subsidiaries and associates, in a non-executive capacity and are paid remuneration and sitting fees. Other than the above and their shareholding in the Company, the Non-Executive Directors have no pecuniary relationship or transactions with the Company, its subsidiaries and associates.

Managing and Executive Director

The remuneration paid to the CEO & MD is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by him and is in accordance with the terms of appointment approved by the Members, at the time of his appointment.

The NRC, reviews and recommends to the Board the changes in the managerial remuneration, generally being increment in basic salary and commission/incentive remuneration of the CEO & MD on a yearly basis. This review is based on the Balanced Score Card that includes the performance of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, EBITDA, market share, cashflows, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-a-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent agencies on comparative industry remuneration practices.

Whereas the basic salary of the CEO & MD is fixed for his entire tenure, the variable portion of the CEO & MD's remuneration consists of incentive remuneration in the form of performance linked bonus and long-term incentive. The target performance linked bonus would be €550,000/- per annum upto a maximum of €825,000/- per annum. With the objective of achieving long-term value creation, through retention and continuity in leadership, a long term incentive plan is provided with a value intended target of €550,000/- per annum upto a maximum of €825,000/- per annum.

The Members at the 71st AGM of the Company held on August 9, 2016, had vide passing of Special Resolution, approved the appointment and terms of remuneration of Mr Butschek as the CEO & MD of the Company, for a period of 5 years, commencing from February 15, 2016 upto February 14, 2021. Thereafter, the Members at the 75th AGM held on August 25, 2020, had vide passing of a Special Resolution, approved payment of minimum remuneration to the CEO & MD in view of inadequacy of profits/losses as calculated under the provisions of Section 198 of the Act, for FY 2019-20 and FY 2020-21 (upto February 14, 2021), which remuneration is within the prescribed limits.

The Board of Directors, based on the recommendations of the NRC, has on February 12, 2021 approved of the re-appointment of Mr Butschek as the CEO & MD with effect from February 15, 2021 upto a tenure of June 30, 2021 on similar and conditions of remuneration as was paid/ payable to him during his tenure (of February 15, 2016 to February 14, 2021) and have recommended the same to the Members of the Company in the Notice of the forthcoming 76th AGM of the Company, which forms a part of this Annual Report. The addendum to his existing agreement with effect from February 15, 2021 in respect of the said re-appointment is available for inspection, as per the terms mentioned in the Notice of this AGM.

Given below are certain details pertaining to the terms of appointment and payment of Managerial Remuneration to Mr Guenter Butschek, the CEO & MD for FY2020-21, for more details on this subject matter kindly refer to the Notice of the forthcoming 76th AGM of the Company:

(₹ in Lakhs)

Particulars	Remuneration Paid / Payable for FY 2020-21	Remuneration Proposed [1]	
		February 15, 2021 to March 31, 2021	April 1, 2021 to June 30, 2021
Basic Salary	285.55	35.69	70.60
Benefits, Perquisites and Allowances (includes payment in lieu of pension)	1,318.43	164.80[2]	320.49[2]
Commission, Bonus and Performance Linked Incentive Remuneration	-[3]	-[3]	235.32[4]
Retirement Benefits[5]	171.33	21.42	42.36
Total Remuneration	**1,775.31[6]**	**221.91**	**668.77**
Less: Permissible Deductions under Schedule V	18.25	3.34	-
Total Remuneration under Schedule V	1,757.06	218.57	-
Less: Permissible Limit Payable by a Company with inadequate profits	240.39	30.05	-
Waiver of Excess Remuneration Paid/ Payable	1,516.67[7]	188.52	-
Profit/(Loss) as per Section 198	(2,83,292.05)	-	-

(1) Amount shall be paid/payable subject to shareholders' approval at the 76th AGM of the Company.

(2) Certain Perquisites and Allowances are based on realistic assumptions.

(3) Performance and Long Term Incentive Plan (LTIP) for FY 2020-21, which will be accrued post approval by the Board of Directors. The remuneration for February 15, 2021 to March 31,2021 is pro-rated basis the amount for FY 2020-21.

(4) Estimated at €550,000 on achievement of performance target at 100%. The Agreement provides a range from €550,000 to €825,000 each for performance bonus and LTIP. The remuneration is denominated in € converted into ₹ on the date of payment. The Foreign Exchange rate for all future payments of remuneration is assumed at a constant of 1€=₹85.57 (rate as on the date of payment for March 2021). The remuneration for FY 2021-22 is estimated on a similar basis as FY 2020-21 but is pro-rated for a period of 3 months, that is upto June 30, 2021.

(5) Comprises contribution to Provident Fund and Gratuity as per the Rules of the Company.

(6) There is no change in the ₹ denominated remuneration of Mr Butschek, except for his performance linked bonus and long term Incentives, during the five financial years. The change in amount is mainly on account of foreign exchange conversion into Rupees (Euro rate fluctuates from ₹80.82 on April 1, 2018 to ₹85.57 on March 31, 2021). The exchange rates used for remuneration are conversion rate on the date of actual payment.

(7) No waiver is required for Remuneration paid from April 1, 2020 to February 14, 2021 as shareholders had already approved in AGM held in August 2020

Remuneration of Mr Butschek has been subjected to peer level benchmarks with the help of survey conducted by Aon Hewitt, an independent global compensation consultant. The proposed remuneration is commensurate with the prevailing level for position of Business Leaders of global automobile companies who are nationals of US or Europe and serve as CEO/MD which represents suitable talent market for the incumbent. The table below illustrates the requisite comparative data of the CEO/ MD remuneration in the global automotive companies:

Total Cost to Company ('TCC') with Long Term Incentive

(₹ in lakhs)

10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile
2,570	2,989	5,110	8,765	10,063

(Data Source: Aon Hewitt Executive Compensation Team)

The terms of appointment with respect to the severance notice period and fees payable to Mr Butschek, the CEO & MD, is as reproduced below:

- The Contract with the CEO & MD may be terminated earlier, without any cause by either giving to the other party 6 months' notice of such termination or the Company paying 6 months' remuneration which shall be limited to provision of basic salary, benefits, perquisites and allowances (including Living Allowance) and any pro-rated incentive remuneration, in lieu of such notice. Additionally, in case of termination initiated by the Company before the end of the term for reasons other than Tata Code of Conduct ("TCoC"), the CEO & MD shall be entitled to severance pay for a period of 12 months or balance term of the agreement whichever is less and which shall be limited to provision of basic salary, living allowance and any pro-rated incentive remuneration.
- This appointment may not be terminated by the Company without notice or payment in lieu of notice except for reasons of breach of TCoC. In case of breach of TCoC, the CEO & MD shall not be entitled to severance.
- In the event the CEO & MD is not in a position to discharge his official duties due to any physical or mental incapacity, he shall be entitled to receive notice pay and the severance as mentioned above and this contract shall stand terminated.

The Directors of the Company are not eligible to receive employee stock options and have accordingly not participated in the Employee Stock Option Scheme 2018 of the Company.

Retirement Policy for Directors

As per the retirement age policy adopted by the Company, the Managing and Executive Directors retire at the age of 65 years. The retirement age for NINEDs is 70 years and for IDs is 75 years as per the Governance Guidelines on Board Effectiveness.

Succession Planning

The NRC works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, in an endeavor to introduce new perspectives, whilst maintaining experience and continuity.

By integrating workforce planning with strategic business planning, the Company deploys the necessary financial and human resources to meet its objectives. Succession planning and elevation within the organization, fuel the ambitions of its talent force, to earn future leadership roles. The NRC have at their meetings held on June 15, 2020, February 12, 2021 and March 15, 2021 reviewed the succession planning of the Board and Senior Management.

STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

The SRC functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations, are as follows:

- Approve issue of duplicate certificates for securities and transmission of securities.
- Resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Oversee statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund and claims made by members / investors from the said fund.
- Review movements in shareholding and ownership structures of the Company.
- Conduct a Shareholders' Satisfaction Survey to ascertain the level of satisfaction amongst shareholders.
- Suggest and drive implementation of various investor-friendly initiatives.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The SRC comprises 2 IDs and the CEO & MD. The Chairperson of the SRC also attended the last Annual General Meeting of the Company. During the period

under review, 3 SRC meetings were held on August 25, 2020, October 27, 2020 and February 10, 2021. The requisite quorum was present for all the meetings.

The composition of the SRC and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Ms Vedika Bhandarkar (Chairperson)	ID	3	3
Ms Hanne Sorensen	ID	3	3
Mr Guenter Butschek	CEO & MD	3	3

Compliance Officer

Mr Hoshang K Sethna, Company Secretary, who is the Compliance Officer. His contact details are:- Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India.

Tel: 91 22 6665 7824, Email: inv_rel@tatamotors.com

Complaints or queries relating to the shares and/or debentures can be forwarded to the Company's Registrar and Share Transfer Agents – M/s TSR Darashaw Consultants Private Limited at csg-unit@tcplindia.co.in, whereas complaints or queries relating to the public fixed deposits can be forwarded to the Registrars to the Fixed Deposits Scheme – M/s TSR Darashaw Consultants Private Limited at tmlfd@tsrdarashaw.com. TSRDL is the focal point of contact for investor services in order to address various FD related matters mainly including repayment / revalidation, issue of duplicate FD receipts / warrants, TDS certificates, change in bank details/ address and PAN corrections. In view of increase in the correspondence, TSRDL have increased their investor interface strength (telephone and counter departments) and have taken other steps for rendering speedy and satisfactory services to the FD holders.

The status on the total number of investor complaints during FY 2020-21 is as follows:

Type	Nos.
Complaints regarding non-receipt of dividend, shares lodged for transfer	8
Complaints received from the shareholders through SEBI and other statutory bodies and resolved	10
Complaints redressed out of the above	18
Pending complaints as on March 31, 2021	0
Other queries received from shareholders and replied	2,769

All letters received from the investors are replied to and the response time for attending to investors' correspondence during FY 2020-21 is shown in the following table:

Particulars	Number	%
Total number of correspondence received during FY 2020-21	2,787	100.00
Replied within 1 to 4 days of receipt	1,000	35.88
Replied within 5 to 7 days of receipt	449	16.11
Replied within 8 to 15 days of receipt	913	32.76
Replied after 15 days of receipt [1]	361	12.95
Received in last week of March 2021 but not replied to due to the lock-down on account of COVID-19 pandemic. These have been replied in April 2021	64	2.30

[1] These correspondence pertained to court cases which involved retrieval of case files, cases involving retrieval of very old records, co-ordination with the Company/Advocates etc, partial documents awaited from the Investors, cases involving registration of legal documents, executed documents received for issue of duplicate certificates and transmission of shares without legal representation which involved checking of the documents, sending notices to Stock Exchange and issue of duplicate certificates/transmission of shares after approval from the Company. However, all these cases have been attended to within the statutory limit of 30 days.

There were no pending share transfers pertaining to the Financial Year ended March 31, 2021.

On recommendations of the SRC, the Company has taken various investor friendly initiatives like organising Shareholders' visit to the Company's Works at Pune, sending reminders to investors who have not claimed their dues, sending nomination forms, etc.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Committee is constituted by the Board in accordance with the Act to:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is uploaded on the Company's website https://investors.tatamotors.com/pdf/csr-policy.pdf as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee comprises 3 IDs and the CEO & MD. The Chairperson of the CSR Committee also attended the last Annual General Meeting of the Company. During the period under review, 2 CSR Committee meetings were held on June 8, 2020 and February 26, 2021. The requisite quorum was present for all the meetings.

The composition of the CSR Committee and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr Om Prakash Bhatt (Chairperson)	ID	2	2
Ms Vedika Bhandarkar	ID	2	2
Mr K V Chowdary [1]	ID	1	1
Mr Guenter Butschek	CEO & MD	2	2

(1) Appointed as a Member of the CSR Committee with effect from January 4, 2021.

RISK MANAGEMENT COMMITTEE (RMC)

The Committee is constituted and functions as per Regulation 21 of the SEBI Listing Regulations to frame, implement and monitor the risk management plan for the Company. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, are as follows:

- Review the Company's risk governance structure, risk assessment and risk management policies, practices and guidelines and procedures, including the risk management plan.
- Review and approve the Enterprise Risk Management (ERM) framework.

- Review the Company's risk appetite and strategy relating to key risks, including product risk and reputational risk, cyber security risk, commodity risk, risks associated with the financial assets and liabilities such as interest risk, credit risk, liquidity exchange rate funding risk and market risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- Review and analyze risk exposure related to specific issues, concentrations and limit excesses and provide oversight of risk across organization.
- Review compliance with enterprise risk management policy, monitor breaches / trigger trips of risk tolerance limits and direct action.
- Nurture a healthy and independent risk management function in the Company.
- Carry out any other function as is referred by the Board from time to time.

The Committee operates as per its Charter approved by the Board and within the broad guidelines laid down in it. The Company has a Risk Management Policy in accordance with the provisions of the Act and SEBI Listing Regulations. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Board takes responsibility for the overall process of risk management in the organisation. Through Enterprise Risk Management Programme, business units and corporate functions address opportunities and the attendant risks with an institutionalized approach aligned to the Company's objectives. The business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are thoroughly discussed with the Senior Management before being presented to the RMC.

The Members of the RMC comprise of 1 ID, 1 NINED, the CEO & MD and Tata Motors Group Chief Financial Officer. The Chairperson of the RMC also attended the last Annual General Meeting of the Company. During the period under review, 3 RMC meetings were held on June 8, 2020, September 15, 2020 and February 9, 2021. The requisite quorum was present for all the meetings.

The composition of the RMC and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Ms Hanne Sorensen (Chairperson)	ID	3	3
Mr Mitsuhiko Yamashita (1)	NINED	1	1
Mr Guenter Butschek	CEO & MD	3	3
Mr P B Balaji	Group CFO	3	2

(1) Appointed as a Member of the RMC with effect from September 16, 2020.

THE SAFETY, HEALTH AND SUSTAINABILITY COMMITTEE (SHS)

The Committee reviews Safety, Health and Sustainability practices. The terms of reference of the Committee include the following:

- to take a holistic approach to safety, health and sustainability matters in decision making;
- to provide direction to Tata Motors Group in carrying out its safety, health and sustainability function;
- to frame broad guidelines/policies with regard to safety, health and sustainability;
- to oversee the implementation of these guidelines/policies; and
- to review the safety, health and sustainability policies, processes and systems periodically and recommend measures for improvement from time to time.

The Members of the SHS comprise of 1 ID, 1 NINED and the CEO & MD. The Chairperson of the SHS also attended the last Annual General Meeting of the Company. During the period under review, 3 SHS meetings were held on June 8, 2020, September 15, 2020 and February 9, 2021. The requisite quorum was present for all the meetings.

The composition of the SHS and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Ms Hanne Sorensen (Chairperson)	ID	3	3
Mr Mitsuhiko Yamashita (1)	NINED	1	1
Mr Guenter Butschek	CEO & MD	3	3

(1) Appointed as a Member of the SHS with effect from September 16, 2020.

CODE OF CONDUCT

Whilst the Tata Code of Conduct is applicable to all Whole-time Directors and employees of the Company, the Board has also adopted the Tata Code of Conduct for NINEDs and IDs as specified under Schedule IV of the Act and Regulation 26(3) of the SEBI Listing Regulations. The detailed Codes of Conduct are respectively available on the website of the Company at https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.pdf and https://investors.tatamotors.com/pdf/ned-id.pdf. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of the Company as on March 31, 2021 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO & MD is reproduced at the end of this Report. Furthermore, pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has adopted and endeavors adherence to the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices. Kindly refer to the Company's website https://investors.tatamotors.com/pdf/CodeCorporateDisclosure.pdf for the detailed Code of Corporate Disclosure Policy of the Company.

GENERAL BODY MEETINGS

Annual General Meeting (AGM)

Date of AGM	Year	Special Resolutions passed	Venue and Time
August 25, 2020	2019-20	• Approval and ratification for payment of Minimum Remuneration to Mr Guenter Butschek (DIN: 07427375), Chief Executive Officer and Managing Director for FY 2019-20. • Approval for payment of Minimum Remuneration to Mr Guenter Butschek (DIN: 07427375), Chief Executive Officer and Managing Director in case of no/inadequacy of profits during FY 2020-21.	Due to COVID-19 Virus Pandemic held through video conferencing ('VC') /other audio visual means ('OAVM') at 2:00 p.m. (IST)
July 30, 2019	2018-19	Nil	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400020 at 3:00 p.m. (IST)
August 3, 2018	2017-18	• Private placement of Non-Convertible Debentures / Bonds • Tata Motors Limited Employees Stock Option Scheme 2018 and grant of stock options to the Eligible Employees under the Scheme	

There were no special resolutions proposed to be passed through Postal Ballot during FY 2020-21 or at the forthcoming AGM.

Hon'ble National Company Law Tribunal Convened Secured Creditors Meeting

Secured Creditors Meeting was convened during the financial year, pursuant to the Orders of the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench dated January 4, 2021 and corrigendum dated January 13, 2021 in the matter of Scheme of Arrangement between Tata Motors Limited ('the Transferor Company') and TML Business Analytics Services Limited ('the Transferee Company') and their respective shareholders ('Scheme') The details of this meeting are as given below:

Date of Meeting	Special Resolution	Outcome	Venue & Time
March 5, 2021	Approval to the Scheme of Arrangement between Tata Motors Limited and TML Business Analytics Services Limited and their respective shareholders.	Resolution was unanimously passed by the Secured Creditors.	Due to the COVID-19 Pandemic held through VC / OAVM at 2:30 p.m. (IST)

Hon'ble National Company Law Tribunal Convened Equity Shareholders Meeting

Equity Shareholders Meeting was convened during the financial year, pursuant to the Orders of the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench dated January 4, 2021 and corrigendum dated January 13, 2021 in the matter of Scheme of Arrangement between Tata Motors Limited ('the Transferor Company') and TML Business Analytics Services Limited ('the Transferee Company') and their respective shareholders ('Scheme') The details of this meeting are as given below:

Date of Meeting	Special Resolution	Outcome	Venue & Time
March 5, 2021	Approval to the Scheme of Arrangement between Tata Motors Limited and TML Business Analytics Services Limited and their respective shareholders.	Resolution was unanimously passed by the Equity Shareholders.	Due to the COVID-19 Pandemic held through VC / OAVM at 3:30 p.m. (IST)

All resolutions moved at the General Meetings and at the NCLT convened meeting held in the last year, were passed by means of electronic voting, by the requisite majority of members.

MEANS OF COMMUNICATION

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

Financial Results: The Quarterly, Half Yearly and Annual Results are regularly submitted to the National Stock Exchange of India Limited (NSE), BSE Limited (BSE), New York Stock Exchange (NYSE) and the Singapore Stock Exchange (SGX) as well as uploaded on the Company's website and are published in newspapers, namely the Indian Express, Financial Express and the Loksatta (Marathi). Additionally, the results and other important information are also periodically updated on the Company's website (www.tatamotors.com) in the "Investors" section.

Investors / Analyst Meets: The Company hosts calls or meetings with institutional investors on request. Post the quarterly results, an analyst meet / call is organized which provides a platform for the Management to answer questions and provide clarifications to investors and analysts. The Company continues to interact with all types of funds and investors in order to have a diversified shareholder base both in terms of geographical location and investment horizon. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/ analysts after the declaration of the quarterly, half-yearly and annual results are submitted to NSE, BSE, NYSE and SGX as well as uploaded on the Company's website on a regular basis. The Company also issues press releases from time to time.

Website: The Company's website is a comprehensive reference on its leadership, management, vision, policies, corporate governance, sustainability and investor relations. The Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, statutory filings, Shareholding information, details of unclaimed dividend and shares transferred / liable to be transferred to IEPF, frequently asked questions, etc. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

Annual Report: The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Reports for FY 2020-21 are being sent to all members who had registered their email ids for the purpose of receiving documents / communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the "Investors" section on the Company's website https://www.tatamotors.com/investors/annual-reports/

Electronic Communication: The Company had during FY 2020-21 sent various communications including Annual Reports, by email to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay.

Scores: A centralised web based complaints redress system 'Scores' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaint and its current status.

Green Initiative: All agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis, by uploading them on a secured online application.

GENERAL INFORMATION FOR MEMBERS

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28920MH1945PLC004520.

ANNUAL GENERAL MEETING

Date and Time	Friday, July 30, 2021 at 3:00 p.m. (IST)
Venue	In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, and January 13, 2021 (collectively referred to as 'MCA Circulars') and SEBI Circular dated May 12, 2020 and January 15, 2021 (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting through video-conferencing / other audio visual means ('VC / OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. For details please refer to the Notice this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, details of Director seeking re-appointment at this AGM are given in the Annexure to the Notice of the forthcoming AGM.

FINANCIAL CALENDAR (TENTATIVE)

Financial Year	April 1 to March 31
Results for the Quarter ending	
June 30, 2021	On or before August 14, 2021
September 30, 2021	On or before November 14, 2021
December 31, 2021	On or before February 14, 2022
March 31, 2022	On or before May 30, 2022
Date of Book Closure	Not applicable.
Date of Dividend payment	No dividend is announced and recommended by the Board for FY 2020-21.

LISTINGS

The Company's shares are listed on the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The following are the details of the Company's shares:

Type	**Ordinary Shares**	**'A' Ordinary Shares**
ISIN	INE155A01022	IN9155A01020
BSE – Stock Code	500570	570001
NSE – Stock Code	TATAMOTORS	TATAMTRDVR
BSE – Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001; www.bseindia.com	
NSE – Address	"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai 400051; www.nseindia.com	

The holders of 'A' Ordinary Shares are entitled to receive a dividend for any financial year at five percentage points more than the aggregate rate of dividend declared on Ordinary Shares for that financial year but are entitled to one vote for every ten 'A' Ordinary Shares held as per the terms of its issue and the Articles of Association.

The Company has paid Annual Listing fees for FY 2020-21 to all the Stock Exchanges (both domestic and international) where the Company's securities are listed.

Attention is also drawn to foreign listing and listing of debt securities of the Company as mentioned below, under the head "Outstanding Securities".

MARKET INFORMATION

Market price data - monthly high/low of the closing price and trading volumes on BSE/NSE depicting liquidity of the Company's Ordinary Shares and 'A' Ordinary Shares on the said exchanges is given hereunder:-

Month	Ordinary Shares						'A' Ordinary Shares					
	BSE			NSE			BSE			NSE		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
April 2020	93.10	65.30	66364119	93.25	65.30	1172960711	39.80	29.60	8915761	39.75	29.55	90401719
May 2020	87.25	80.65	53041662	87.20	80.65	1137196293	36.30	33.80	4664779	36.35	33.75	67425224
June 2020	115.50	89.60	124558628	115.45	89.55	2061612730	48.10	38.90	9935536	48.05	38.90	142648950
July 2020	109.05	100.70	70852022	109.05	100.75	1236388047	43.20	37.45	5762662	43.25	37.50	100914858
August 2020	144.35	111.40	104701749	144.25	111.45	1866040897	55.30	39.35	35660786	55.05	39.35	271120205
September 2020	151.75	122.80	76508747	151.85	122.80	1583888897	66.45	50.70	17979246	66.55	50.70	233517107
October 2020	144.85	127.00	77216650	144.75	126.95	1287652030	65.10	54.30	9355521	65.05	54.20	114643370
November 2020	180.25	132.85	86659810	180.35	132.85	1284628508	78.20	55.05	12076416	78.15	54.95	158065341
December 2020	186.30	164.55	75390441	186.35	164.55	1191039967	78.50	67.70	8853122	78.60	67.55	126853223
January 2021	290.45	186.45	183133100	290.60	186.50	3110819324	113.45	76.40	22197884	113.55	76.45	347382860
February2021	335.85	279.75	144505279	335.95	279.60	2011804897	135.70	111.85	13120151	135.90	111.90	164632958
March 2021	348.50	285.50	85959250	348.50	285.55	1453847016	142.05	125.75	5952028	142.20	125.60	87312005

The Performance of the Company's Stock Price vis-à-vis Sensex, Auto Index and American Depository Receipt (ADR):

Month	Ordinary Shares (₹)	'A' Ordinary Shares (₹)	BSE Sensex (₹)	Auto Index (₹)	ADR Price (US$)
April 2020	74.77	34.27	30966.01	12,128.16	4.87
May 2020	83.88	35.28	31294.25	12,927.99	5.60
June 2020	102.18	42.77	34,262.88	14,916.13	6.77
July 2020	105.22	40.53	37,030.64	16,149.42	7.07
August 2020	125.54	45.01	38,346.59	17,579.07	8.44
September 2020	141.23	59.84	38,378.98	17,881.12	9.53
October 2020	134.06	58.16	40,115.39	18,020.72	9.13
November 2020	155.04	65.38	43,011.38	18,900.57	10.62
December 2020	179.58	75.11	46,211.84	20,639.28	12.23
January 2021	240.17	95.39	48,580.33	22,489.93	16.69
February 2021	322.48	128.89	50,782.82	24,154.00	22.00
March 2021	314.68	133.58	50,100.65	23,157.65	21.49

The monthly high and low of the Company's ADRs is given below:

(in US $)

Month	High	Low
April 2020	6.21	4.29
May 2020	6.21	5.31
June 2020	7.64	5.93
July 2020	7.30	6.66
August 2020	9.77	7.43
September 2020	10.33	8.31
October 2020	9.85	8.65
November 2020	12.18	8.92
December 2020	12.68	11.15
January 2021	19.90	13.10
February 2021	23.02	19.14
March 2021	23.96	19.66

Each Depositary Receipt represents 5 underlying Ordinary Shares of face value of ₹2/- each.

REGISTRAR AND TRANSFER AGENTS

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agents – M/s TSR Darashaw Consultants Private Limited quoting their Folio No./DP ID & Client ID at the following addresses:

1. **For transfer lodgement, delivery and correspondence:** TSR Darashaw Consultants Private Limited, Unit: Tata Motors Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083. Tel: 022-6656 8484; Fax: 022- 6656 8494; e-mail: csg-unit@tcplindia.co.in ; website: www.tcplindia.co.in

2. For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Consultants Private Limited:

   (i) **Bangalore:** 503, Barton Centre, 5th Floor, 84, Mahatma Gandhi Road, Bangalore – 560 001.

   Tel: 080 – 25320321, Fax: 080 – 25580019, e-mail: tsrdlbang@tsrdarashaw.com

   (ii) **Jamshedpur:** Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831 001.

   Tel: 0657 – 2426616, Fax: 0657 – 2426937, email : tsrdljsr@tsrdarashaw.com

   (iii) **Kolkata:** Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700 071.

   Tel: 033 – 22883087, Fax: 033 – 22883062, e-mail: tsrdlcal@tsrdarashaw.com

   (iv) **New Delhi:** Plot No.2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110 002.

   Tel : 011 – 23271805, Fax : 011 – 23271802, e-mail : tsrdldel@tsrdarashaw.com

   (v) **Ahmedabad:** Agent of TSRDL – Shah Consultancy Services Pvt. Limited: 3-Sumathinath Complex, Pritam Nagar Akhada Road, Ellisbridge, Ahmedabad -380 006.
   Tel: 079-2657 6038, e-mail: shahconsultancy8154@gmail.com

For Fixed Deposits: the investors are requested to correspond with the Registrars to the Fixed Deposits Scheme – TSR Darashaw Consultants Private Limited at the same addresses as mentioned above or send an e-mail at tmlfd@tsrdarashaw.com. Tel : 022-6656 8484

For Rights Issue related matters: The Company launched a Rights Issue vide Letter of offer dated March 30, 2015 and Members are requested to correspond with Link Intime India Private Limited, the Registrar to the Issue, for addressing any pre-Issue/ post-Issue related matter, including all grievances relating to the ASBA process. Contact details: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078; Tel: (91 22) 6171 5400 / 9167779196 /97; Fax: (91 22) 2596 0329; Website: www.linkintime.co.in; Email: tatamotors.rights@linkintime.co.in; Contact Person: Mr Sachin Achar / Mr Sumeet Deshpande.

SHARE TRANSFER SYSTEM

All transfer, transmission or transposition of securities, are conducted in accordance with the provisions of Regulation 40, Regulation 61 and Schedule VII of the SEBI Listing Regulations read together with SEBI Circulars SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020 and SEBI/HO/MIRSD/RTAMB/CIR/P/2020 /236 dated December 2, 2020.

All requests for transfer and/or dematerilisation of securities held in physical form, should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Consultants Private Limited, Mumbai or at their branch offices or at the registered office of the Company for dematerialisation.

Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. The Executives of the Registrar are empowered to approve transfer of shares and debentures and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days.

The following compliances pertain to share transfers, grievances, etc.:

(1) Pursuant to Regulation 7(3) of the SEBI Listing Regulations, certificates are filed with the stock exchanges on half yearly basis

by the Compliance Officer and the representative of the Registrar and Share Transfer Agent for maintenance of an appropriate share transfer facility.

(2) Pursuant to Regulation 13 of the SEBI Listing Regulations, a statement on pending investor complaints is filed with the stock exchanges and placed before the Board of Directors on a quarterly basis.

(3) Pursuant to Regulation 39(3) of the SEBI Listing Regulations, information regarding loss of share certificates and issue of the duplicate certificates, are submitted to the stock exchanges within 2 days of the Company receiving the information.

(4) Pursuant to Regulation 40(9) of the SEBI Listing Regulations, the Company obtains a half-yearly certificate from the Practicing Company Secretary certifying that, the RTA has issued all share certificates within 30 days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies and this certificate is simultaneously filed with the Indian Stock Exchanges pursuant to Regulation 40(10) of the SEBI Listing Regulations.

(5) A Company Secretary-in-Practice carries out a Reconciliation of Share Capital Audit on a quarterly basis, as per Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 read with SEBI Circular No. D&CC / FITTC/Cir- 16/2002 dated December 31, 2002, to reconcile the total admitted capital with depositories viz National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

(6) Pursuant to Regulation 61(4) read together with Regulation 40(9) of the SEBI Listing Regulations, a Certificate by the Company Secretary-in-Practice is filed with the stock exchanges within one month from the end of each half of the financial year, certifying that all certificates are issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies.

Transfer of unclaimed / unpaid amounts / shares to the Investor Education and Protection Fund (IEPF):

(i) Pursuant to Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits, sale proceeds of fractional shares, redemption amount of preference shares, etc. pertaining to the Company remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have to be transferred to the IEPF Authority, established by the Central Government.

Furthermore, the IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a period of 7 consecutive years to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of the Court, Tribunal or Statutory Authority, restraining any transfer of shares.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years of the Company. Further, shares of the Company, in respect of which dividends have not been claimed for 7 consecutive years or more, have also been transferred to the demat account of the IEPF Authority.

The details of the unclaimed dividends and shares transferred to IEPF during FY 2020-21 are as follows:

Financial Year	Amount of unclaimed dividend transferred (₹)	Number of shares transferred	
		Ordinary Shares	'A' Ordinary Shares
2012-13	1,55,73,105	4,71,207	3,367
Total	**1,55,73,105**	**4,71,207**	**3,367**

The members who have a claim on the above dividends and shares may claim the same from the IEPF Authority by submitting an online application in the prescribed web-Form No.IEPF-5 available on the website www.iepf.gov.in and send a physical copy, duly self-certified, of the said Form and acknowledgement along with requisite documents, as enumerated in the Instruction Kit, to the Company. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

Considering the above, there are no shares lying in the suspense account of the Company under Regulation 39(4) of the SEBI Listing Regulations.

The Company strongly recommends shareholders to encash / claim their respective dividend within the period given below from the Company's Registrar and Share Transfer Agents:

Financial Year	Date of Declaration	Last date for claiming dividend	Unclaimed Dividend (as on 31.03.2021) (₹)	
			Ordinary Shares	'A' Ordinary Shares
2013-14	July 31, 2014	August 30, 2021	1,60,64,052.00	1,88,790.00
2014-15	No dividend was declared	-	-	
2015-16	August 9, 2016	September 8, 2023	29,27,290.00	1,28,230.00
2016-17	No dividend was declared	-	-	
2017-18	No dividend was declared	-	-	
2018-19	No dividend was declared	-	-	
2019-20	No dividend was declared	-	-	

Whilst the Company's Registrar has already written to the Members, Debenture holders and Depositors informing them about the due dates for transfer to IEPF for unclaimed dividends/interest payments, attention of the stakeholders is again drawn to this matter through the Annual Report. The data on unpaid / unclaimed dividend and other unclaimed monies is also available on the Company's website at https://www.tatamotors.com/investor/iepf/. Investors who have not yet encashed their unclaimed/ unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest. Members may refer to the Refund Procedure for claiming the aforementioned amounts transferred to the IEPF Authority as detailed on http://www.iepf.gov.in/IEPF/refund.html.

Mr Hoshang K Sethna, Company Secretary, is the IEPF Nodal Officer. His contact details are - Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India. Tel: 91 22 6665 7824 Email: nodalofficer.iepf@tatamotors.com

(ii) Upto March 31, 2021, the Company has transferred ₹44,25,72,848.34 to IEPF, including the following amounts during the year.

Particulars	FY 2020-21 (₹)
Unpaid dividend amounts of the Company	1,55,73,105.00
Application moneys received for allotment of any securities and due for refund	-
Unpaid matured deposit with the Company	36,90,000.00
Unpaid matured debentures with the Company	-
Interest accrued on application money due for refund, unpaid matured deposits and debentures with the Company	2,66,455.00
Sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation	-
Redemption amount of preference shares	-
Grants and donation	-
Others	-
Total	**1,95,29,560.00**

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2021

Ordinary Shares

Range of Shares	No. of Shares				No. of shareholders			
	No. of Shares	Physical Form (%)	Demat Form (%)	% of Capital	No. of Holders	Physical Form (%)	Demat Form (%)	% of Capital
1 – 500	156,521,113	0.09	4.62	4.71	1,939,201	0.94	91.29	92.23
501 – 1,000	63,988,824	0.07	1.86	1.93	84,968	0.16	3.88	4.04
1,001 – 2,000	62,526,438	0.10	1.78	1.88	43,103	0.11	1.94	2.05
2,001 – 5,000	76,477,582	0.12	2.18	2.30	24,520	0.06	1.10	1.16
5,001 -10,000	46,648,392	0.06	1.35	1.41	6,651	0.02	0.30	0.32
10,001-1,00,000	83,919,860	0.08	2.45	2.53	3,584	0.01	0.16	0.17
Above 1,00,001	2,830,225,556	0.06	85.18	85.24	569	0.00	0.03	0.03
Total	**3,320,307,765**	**0.58**	**99.42**	**100.00**	**2,102,596**	**1.30**	**98.70**	**100.00**

'A' Ordinary Shares

Range of Shares	No. of Shares				No. of shareholders			
	No. of Shares	Physical Form (%)	Demat Form (%)	% of Capital	No. of Holders	Physical Form (%)	Demat Form (%)	% of Capital
1 – 500	24,827,632	0.01	4.87	4.88	209,902	0.26	83.30	83.56
501 – 1,000	14,784,740	0.01	2.90	2.91	18,746	0.01	7.45	7.46
1,001 – 2,000	15,816,252	0.00	3.11	3.11	10,569	0.01	4.20	4.21
2,001 – 5,000	23,417,278	0.00	4.61	4.61	7,242	0.00	2.88	2.88
5,001 -10,000	18,178,727	0.00	3.57	3.57	2,477	0.00	0.99	0.99
10,001-1,00,000	51,869,387	0.00	10.20	10.20	2,004	0.00	0.80	0.80
Above 1,00,001	359,608,880	0.00	70.72	70.72	258	0.00	0.10	0.10
Total	**508,502,896**	**0.02**	**99.98**	**100.00**	**251,198**	**0.28**	**99.72**	**100.00**

COMBINED SHAREHOLDING PATTERN (ORDINARY & 'A' ORDINARY SHARES)

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year i.e. 01.04.2020				No. of Shares held at the end of the year i.e. 31.03.2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b)	Central Government / State Governments(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	1,336,765,206	0	1,336,765,206	37.16	1,579,887,957	0	1,579,887,957	41.26	4.1
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(e)	Any Other (Trust)	0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)		**1,336,765,206**	**0**	**1,336,765,206**	**37.16**	**1,579,887,957**	**0**	**1,579,887,957**	**41.26**	**4.1**
(2)	Foreign				0					0
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)										
Total Shareholding of Promoter and Promoter Group (A)		**1,336,765,206**	**0**	**1,336,765,206**	**37.16**	**1,579,887,957**	**0**	**1,579,887,957**	**41.26**	**4.1**

Category of Shareholders		No. of Shares held at the beginning of the year i.e. 01.04.2020				No. of Shares held at the end of the year i.e. 31.03.2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	356,045,589	71,340	356,116,929	9.9	289,237,886	61,790	289,299,676	7.56	-2.34
(b)	Financial Institutions / Banks	12,101,131	248,470	12,349,601	0.34	1,901,757	241,890	2,143,647	0.06	-0.29
(c)	Central Government / State Government(s)	27,901,140	2,013,905	29,915,045	0.83	27,901,140	2,013,905	29,915,045	0.78	-0.05
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Alternate Investment Funds	4,511,059	0	4,511,059	0.13	9,622,100	0	9,622,100	0.25	0.13
(f)	Insurance Companies	217,654,126	800	217,654,926	6.05	197,015,296	800	197,016,096	5.15	-0.9
(g)	Foreign Institutional Investors	424,011	23,940	447,951	0.01	109,992	23,940	133,932	0	-0.01
(h)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(i)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(j)	Any Other (specify)									
(j-i)	Foreign Portfolio Investors (Corporate)	664,737,012	0	664,737,012	18.48	577,112,949	0	577,112,949	15.07	-3.4
(j-ii)	Foreign Bodies - DR	395,469	0	395,469	0.01	372,144	0	372,144	0.01	0
(j-iii)	Foreign Nationals - DR	991	0	991	0	199	0	199	0	0
(j-iv)	Foreign Institutional Investors - DR	0	0	0	0	0	0	0	0	0
(j-v)	Provident Funds/ Pension Funds	0	0	0	0	20,909,663	0	20,909,663	0.55	0.55
(j-vi)	LLP -DR	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)		**1,283,770,528**	**2,358,455**	**1,286,128,983**	**35.75**	**1,124,183,126**	**2,342,325**	**1,126,525,451**	**29.42**	**-6.33**
(2)	Non-Institutions									
(a)	Bodies Corporate	22,210,749	407,985	22,618,734	0.63	31,029,209	399,930	31,429,139	0.82	0.19
(b)	Individuals -								0	
i	Individual shareholders holding nominal share capital upto ₹1 lakh	478,415,319	15,051,337	493,466,656	13.72	536,015,173	14,298,273	550,313,446	14.37	0.66
ii	Individual shareholders holding nominal share capital in excess of ₹1 lakh	34,527,106	334,975	34,862,081	0.97	131,189,396	334,975	131,524,371	3.44	2.47
(c)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(d)	Any Other									
(d-i)	NBFCs registered with RBI	59,140	0	59,140	0	270,478	0	270,478	0.01	0.01
(d-ii)	Non Resident Indians	28,348,896	2,062,710	30,411,606	0.85	29,662,733	2,015,305	31,678,038	0.83	-0.02
(d-iii)	Clearing Member	39,508,931	0	39,508,931	1.1	15,328,696	0	15,328,696	0.4	-0.7
(d-iv)	Trust	25,787,392	1,750	25,789,142	0.72	3,104,846	1,750	3,106,596	0.08	-0.64
(d-v)	OCBs/Foreign Cos	0	0	0	0	0	0	0	0	0
(d-vi)	QIB - Insurance Regd. with IRDA	2,496,096	0	2,496,096	0.07	0	0	0	0	-0.07
(d-vii)	IEPF Suspense A/C	4,576,850	0	4,576,850	0.13	5,031,324	0	5,031,324	0.13	0
Sub-total (B) (2)		**635,930,479**	**17,858,757**	**653,789,236**	**18.17**	**751,631,855**	**17,050,233**	**768,682,088**	**20.08**	**1.9**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**1,919,701,007**	**20,217,212**	**1,939,918,219**	**53.92**	**1,875,814,981**	**19,392,558**	**1,895,207,539**	**49.5**	**-4.43**
TOTAL (A)+(B)		**3,256,466,213**	**20,217,212**	**3,276,683,425**	**91.08**	**3,455,702,938**	**19,392,558**	**3,475,095,496**	**90.76**	**-0.32**
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	320,773,115	20,250	320,793,365	8.92	353,694,915	20,250	353,715,165	9.24	0.32
GRAND TOTAL (A)+(B)+(C)		**3,577,239,328**	**20,237,462**	**3,597,476,790**	**100**	**3,809,397,853**	**19,412,808**	**3,828,810,661**	**100**	**0**

ii) Top 10 Shareholders as on March 31, 2021:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of holding
1	Tata Sons Private Limited	1,490,625,082	38.93
2	Life Insurance Corporation of India	138,645,433	3.62
3	ICICI Prudential Value Discovery Fund	79,264,669	2.07
4	HDFC Trustee Company Limited - HDFC Tax Saverfund	54,059,061	1.41
5	Jhunjhunwala Rakesh Radheshyam	42,750,000	1.12
6	SBI-ETF Nifty 50	36,668,836	0.96
7	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	33,148,221	0.87
8	Government Pension Fund Global	32,379,818	0.85
9	UTI - Nifty Exchange Traded Fund	26,881,373	0.70
10	Kuwait Investment Authority Fund	26,262,383	0.69

Note: Shareholding of Top 10 is consolidated based on Permanent Account Number of the shareholder.

DEMATERIALISATION OF SHARES

The Company's Ordinary and 'A' Ordinary Shares are tradable compulsorily in electronic form. The electronic holding of the shares as on March 31, 2021 through the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) are as follows:

Particulars	Ordinary Shares (%)		'A' Ordinary Shares (%)	
	2021	2020	2021	2020
NSDL	93.38	94.26	85.04	91.48
CDSL	6.04	5.09	14.94	8.49
Total	**99.42**	**99.35**	**99.98**	**99.97**

OUTSTANDING SECURITIES

Outstanding Depositary Receipts/Warrants or Convertible instruments, conversion / maturity date and likely impact on equity as on March 31, 2021 are as follows:

- **Depositary Receipts:** The Company has 7,07,43,033 ADRs listed on the New York Stock Exchange as on March 31, 2021. Each Depository Receipt represents 5 underlying Ordinary Shares of ₹2/- each.

Listing on Foreign Stock Exchange	New York Stock Exchange (NYSE)
Security Type	ADRs
ISIN	US8765685024
Stock Code / Ticker	TTM
Address	NYSE, 20 Broad Street, New York, NY 10005

Overseas Depositary	Domestic Custodian
Citibank N.A., 388 Greenwich Street, 14th Floor, New York, NY 10013	Citibank N.A., Trent House, 3rd Floor, G-60, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

- **Senior Unsecured Notes:** The details of outstanding Senior Unsecured Notes aggregating US$ 550 million, are given hereunder:

Security Type	ISIN	Issue Size (US$)	Yield per annum (%)	Date of Issue	Date of Maturity	Listing
Senior Unsecured Notes	XS2079668609	300,000,000	5.875%	November 20, 2019	May 20, 2025	Singapore Stock Exchange
Senior Unsecured Notes	XS1121908211	250,000,000	5.750%	October 30, 2014	October 30, 2024	

During the FY 2020-21 4.625% Senior Unsecured Notes, bearing ISIN XS1121907676 and with an issue size of US$262,532,000 were redeemed upon attaining maturity on April 30, 2020.

- For details pertaining to outstanding warrants and other convertible instruments issued by the Company, kindly refer to point no. (viii) under the "Disclosures" section of this Corporate Governance Report.
- The following Non-Convertible Debentures are listed on NSE and BSE under Wholesale Debt Market segment*:

Series No.	Stock Exchange Listing	ISIN	Principal Amount (₹ in crores)	Yield to Maturity (%)	Date of Maturity
E26B	NSE	INE155A08191	300	9.81	August 20, 2024
E26C	NSE	INE155A08209	200	9.77	September 12, 2024
E26E	NSE & BSE	INE155A08233	400	9.60	October 29, 2022
E26F	NSE & BSE	INE155A08241	400	9.35	November 10, 2023
E26G	NSE & BSE	INE155A08258	300	9.02	December 10, 2021
E27B	NSE & BSE	INE155A08282	300	8.40	May 26, 2021
E27E	NSE & BSE	INE155A08316	300	7.50	October 20, 2021
E27F	NSE & BSE	INE155A08324	500	7.71	March 3, 2022
E27G	NSE & BSE	INE155A08332	500	7.84	September 27, 2021
E27H	NSE & BSE	INE155A08340	500	7.50	June 22, 2022
E27I (Tranche II)	NSE & BSE	INE155A08365	500	7.40	June 29, 2021
E28A (Tranche I)	NSE & BSE	INE155A08381	200	9.27	June 30, 2023
E28 A (Tranche II)	NSE & BSE	INE155A08373	200	9.31	September 29, 2023
E28A (Tranche III)	NSE & BSE	INE155A08399	100	9.54	June 28, 2024
E28B (Tranche I)	NSE & BSE	INE155A08407	250	8.50	December 30, 2026
E28B (Tranche II)	NSE & BSE	INE155A08415	250	8.50	January 29, 2027
E29A	NSE & BSE	INE155A07284	1000	8.80	May 26, 2023

*Detailed information on the above debentures is included in the 'Notes to Accounts'.

During the year, the following Non-Convertible Debentures (NCDs) were redeemed:

- 9.90% E23A Series of NCDs (ISIN: INE155A08043) of ₹150 crores on May 7, 2020;
- 9.75% E23B Series of NCDs (ISIN: INE155A08050) of ₹100 crores on May 24, 2020;
- 9.70% E23C Series of NCDs (ISIN: INE155A08068) of ₹150 crores on June 18, 2020;
- 9.73% E26D (Option II) Series of NCDs (ISIN: INE155A08225) of ₹400 crores on October 1, 2020; and
- 7.28% E27I (Tranche 1) Series of NCDs (ISIN: INE155A08357) of ₹500 crores on July 29, 2020.

Debenture Trustee: Vistra ITCL (India) Limited, situated at the IL&FS Financial Centre, 7th Floor, Plot C- 22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051, are the debenture trustees for all the aforementioned NCD's issued by the Company. They may be contacted at Tel.: +91 22 2659 3333, Fax: + 91 22 2653 3297, Email id: itclcomplianceofficer@vistra.com.

PLANT LOCATIONS

Location	Range of Products Produced
Pimpri, Pune – 411 018; Chikhali, Pune – 410 501; Chinchwad, Pune – 411 033	Medium and Heavy Commercial Vehicles (M&HCVs), Intermediate & Light Commercial Vehicles (ILCVs), Small Commercial Vehicles – Pickups (SCVs), Winger (Vans), Utility Vehicles (UVs) and Cars
Jamshedpur – 831 010	Intermediate Commercial Vehicles (ICVs) and M&HCVs
Chinhat Industrial Area, Dewa Road,Chinhat, Lucknow – 226 019	ICVs, M&HCVs and LCVs
Plot No. 1, Sector 11 and Plot No. 14, Sector 12, I.I.E., Pantnagar, District Udhamsingh Nagar, Uttarakhand – 263 145	SCVs
Revenue Survey No. 1, Village Northkotpura, Tal, Sanand, Dist. Ahmedabad – 380 015	Cars
KIADB Block II, Belur Industrial Area, Mummigatti Post, Dharwad – 580 011	SCVs, LCVs, ICVs, M&HCVs, Electric Vehicles and Buses

ADDRESS FOR CORRESPONDENCE

For Investor Queries	
Retail / HNI Investors	**Institutional Investors**
Mr H K Sethna, Company Secretary	Mr V B Somaiya, Head (Treasury & Investor Relations)
Bombay House,24, Homi Mody Street,	3rd floor, Nanavati Mahalaya,18, Homi Mody Street,
Mumbai - 400 001, INDIA	Mumbai - 400 001, INDIA
Phone : 91-22- 6665 7824	Phone : 91-22-6665 8282
E-Mail : inv_rel@tatamotors.com	E-Mail : ir_tml@tatamotors.com
For Fixed Deposit, Rights Issue and other Share related queries	
Kindly refer details mentioned herein above under the head "Registrar and Transfer Agents"	

CREDIT RATINGS

Credit ratings obtained along with revisions thereto during FY 2020-21, for all debt instruments in India and abroad:

Rating Agency	Period	Credit Rating	
		Short-Term	Long-Term
CARE Ratings Limited	As on April 1, 2020	CARE A1+	CARE AA- / Negative
	March 17, 2021	CARE A1+	CARE AA- / Stable
CRISIL	As on April 1, 2020	CRISIL A1+	CRISIL AA- / Negative
	March 15, 2021	CRISIL A1+	CRISIL AA- / Stable
ICRA Limited	As on April 1, 2020	ICRA A1+	ICRA AA- / Negative
	February 16, 2021	ICRA A1+	ICRA AA- / Stable
MOODY's Investors Service	As on April 1, 2020		Ba3 / Watch Negative
	June 18, 2020		B1 / Negative
Standard & Poor's	As on April 1, 2020		B+ / Negative
	April 2, 2020		B / Stable
	November 4, 2020		B / Negative

SUBSIDIARY COMPANIES

During FY 2020-21, as per the provisions of Regulations 16 and 24 of the SEBI Listing Regulations, Ms Hanne Sorensen, ID is on the Boards of Jaguar Land Rover Automotive plc, Jaguar Land Rover Limited and Jaguar Land Rover Holdings Limited, which have been identified as material unlisted subsidiary companies.

In addition to the above, Ms Vedika Bhandarkar, ID is on the Boards of Tata Motors Finance Limited, Tata Motors Finance Solutions Limited and TMF Holdings Limited, which have been identified as strategically important subsidiary companies.

The Company adopted a Policy for Determining Material Subsidiaries of the Company, pursuant to Regulation 16(1)(c) of the SEBI Listing Regulations. This policy is available on the Company's website at https://investors.tatamotors.com/pdf/material.pdf, pursuant to Regulation 46(2) of the SEBI Listing Regulations.

The Audit Committee also has a meeting wherein the CEO and CFO of subsidiary companies make a presentation on significant issues in audit, internal control, risk management, etc. Significant issues pertaining to subsidiary companies are also discussed at Audit Committee meetings of the Company.

The minutes of the subsidiary companies are placed before the Board of Directors of the Company on a quarterly basis and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance of its subsidiaries is also reviewed by the Board periodically.

The Company is compliant with other requirements under Regulation 24 of the SEBI Listing Regulations with regard to its subsidiary companies.

DISCLOSURES

i. Details of transactions with related parties as specified in Indian Accounting Standards (IND AS 24) have been reported in the Financial Statements. During the year under review, there was no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company. The Audit Committee takes into consideration the management representation and an independent audit consultant's report, whilst scrutinizing and approving all related party transactions, from the perspective of fulfilling the criteria of meeting arms' length pricing and being transacted in the ordinary course of business. During the period, all transactions with related parties entered into by the Company were in the ordinary course of business and on an arm's length basis, were approved by the Audit Committee. The detailed Policy on Related Party Transactions is available on the website of the Company at https://investors.tatamotors.com/pdf/rpt-policy.pdf.

ii. The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India ('SEBI') or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company except as mentioned below:

The Securities and Exchange Board of India vide order dated March 6, 2018, had issued directions for the Company to conduct an internal inquiry into the leakage of information relating to its financial results for the quarter ended December 2015.

The Company has taken various steps to strengthen and improve communications within the Company and amongst designated employees, too prevent leakages and to restrict communication

of Unpublished Price Sensitive Information to restricted few and that too with encrypted password protected files. These steps have been communicated to SEBI assuring them that the highest degree of importance was accorded to strict adherence of all applicable regulatory and legal requirements at Tata Motors Limited. There has been no further communication after November 20, 2020.

iii. In accordance with the provisions of the Act and Regulation 22 of the SEBI Listing Regulations the Company has in place a Vigil Mechanism and a Whistle-Blower Policy duly approved by the Audit Committee which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee Chairperson.

The Company has revised the Whistle-Blower Policy to insert updation of the new channel details (toll free numbers and web-portal), addition of a reference of Apex Ethics Committee at relevant places and restructuring of some clauses to bring in more clarity and the revised policy was approved by the Board at its meeting held on October 27, 2020. Kindly refer to the Company's website https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf for the detailed Whistle-Blower Policy of Company.

iv. **Prevention of Insider Trading Code:** In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ('SEBI Insider Trading Regulations') the Board of Directors of the Company has during the year revised the adopted the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Insider Trading Code') in order to align the same with recent amendments in the SEBI Insider Trading Regulations. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the UPSI of the Company are governed by this Insider Trading Code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Insider Trading Code. Mr P B Balaji, the Group CFO, is the Compliance Officer, responsible for setting forth procedures and implementation of the Insider Trading Code for trading in the Company's securities. Kindly also refer to details disclosed in point (ii) above.

v. The Company has complied with all the mandatory requirements of Corporate Governance as specified in sub-paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations and disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.

vi. The Company also fulfilled the following non-mandatory requirements as specified in Part E of the Schedule II of the SEBI Listing Regulations:

- **Maintenance of Chairman's office:** The Non-Executive Chairman has a separate office which is not maintained by the Company.
- **Shareholder Rights:** The half-yearly financial performance of the Company is sent to all the Members whose e-mail IDs are registered with the Company / Depositories. The results are also available on the Company's website https://www.tatamotors.com/investors/results-press-releases/
- **Modified opinion in Audit Report:** During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- **Reporting of Internal Auditor:** The Chief Internal Auditor reports to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

vii. Commodity price risk or foreign exchange risk and hedging activities:

During the FY 2020-21 the Company had managed the foreign exchange and commodity price risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange and commodity exposures against exports and imports. The details of foreign currency and commodity exposure are disclosed in Note No.42(c)(i)(a), 42(c)(iv) and 42(c)(v) to the Standalone Financial Statements.

a. Total exposure of the Company to commodities: ₹11,038 crore

b. Exposure of the Company to various Commodities:

Commodity Name	Exposure in ₹ towards a particular commodity	Exposure in quantity terms towards a particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
Raw Material (majorly Steel)	₹10,220 crores	Note 1	-	-	-	-	-
Aluminum, Copper & Lead	₹818 crores	0.04 Million Metric Tons	-	-	-	-	-

Notes: (1). Mixture of commodities having different Unit of measurements; (2). Above values are estimates; and (3). Exposure given above is relating to direct materials only.

c. Commodity risks faced by the Company during the year and measures adopted to combat the same:

FY 2020-21 saw major demand supply imbalance, leading to spike in commodity prices, impacting the industry as a whole. The Company is running comprehensive campaigns to offset the impact of such cost pressures.

viii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year ended March 31, 2020, the Company had allotted 20,16,23,407 Ordinary Shares at a price of ₹150 per Ordinary Share aggregating to ₹3,024.35 crores and 23,13,33,871 Convertible Warrants ('Warrants'), each carrying a right to subscribe to one Ordinary Share per Warrant, at a price of ₹150 per Warrant ('Warrant Price'), aggregating to ₹3,470.00 crores on a preferential basis to Tata Sons Private Limited. An amount equivalent to 25% of the Warrant Price was paid at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of

allotment of Ordinary Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Ordinary Share(s) by June 2021.The Company has fully utilised the amount of ₹3,891.85 crores towards repayment of debt, and other general corporate purposes of the Company and its subsidiaries.

During the quarter and year ended March 31, 2021, on exercise of options by Tata Sons Private Limited and on receipt of the balance subscription money of ₹2,602.51 crores, the Company has fully converted 23,13,33,871 convertible warrants into Ordinary Shares, that were issued during the year ended March 31, 2020. The Company has not utilised any of this amount as at March 31, 2021.

ix. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

x. As per the provisions of the Act and in compliance with Regulation 25(10) of the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including IDs, Officers, Managers and Employees of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

xi. The Company and its Subsidiaries on a consolidated basis have paid ₹79.721 crores to the Statutory Auditors and to all entities in their network firm. For details please refer to the Note No. 37 in the Consolidated Financial Statements.

xii. Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH'). For disclosure regarding the number of complaints filed, disposed of and pending, please refer to the Board's Report.

xiii. The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(C) to the SEBI Listing Regulations.

xiv. Appropriate information has been placed on the Company's website pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

Information on the Company's website, regarding key policies, codes and charters, adopted by the Company:

Name of Policy, Code or Charter	Brief Description	Web Link
Terms of Appointment of IDs	Relevant extracts form the appointment letter issued to IDs detailing the broad terms and conditions of their appointment.	https://investors.tatamotors.com/pdf/Terms-of-Appointment-ID.pdf
Board Committees	The composition of various committees of the Board	https://www.tatamotors.com/about-us/leadership/
Tata Code of Conduct	Represents the values and core principles that guide the conduct of every Tata business. The Code lays down the ethical standards that Tata colleagues need to observe in their professional lives. a) For Whole-time Directors & Employees b) For NINEDs and IDs	https://www.tatamotors.com/wp-content uploads/2015/10/09042523/tata-code-of-conduct1.pdf https://investors.tatamotors.com/pdf/ned-id.pdf
Whistleblower Policy (Vigil Mechanism)(1)	The Whistleblower policy has been formulated for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Tata Code of Conduct.	https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf
Policy on Related Party Transactions (2)	The Company has in place a Policy on Related Party Transactions setting out: (a) the materiality thresholds for related parties; and (b) the manner of dealing with transactions between the Company and related parties, including omnibus approvals by Audit Committee based on the provisions of the Act and Regulation 23 of the SEBI Listing Regulations.	https://investors.tatamotors.com/pdf/rpt-policy.pdf
Policy for determining Material Subsidiaries(1)	This policy is determine material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide governance framework for them.	https://investors.tatamotors.com/pdf/material.pdf
Familiarisation Programme	For IDs through various programmes/ presentations.	https://investors.tatamotors.com/pdf/familiarisation-programme-independent-directors.pdf
Unpaid Dividend Account Details	Statement of unclaimed and unpaid amounts to be transferred to the IEPF.	https://www.tatamotors.com/investors/iepf/
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programmes focusing on Health, Education, Employability and Environment interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India.	https://investors.tatamotors.com/pdf/csr-policy.pdf
Audit Committee Charter	Inter alia outlines the terms of reference, composition, quorum, meeting requirements, authority and responsibility of the Audit Committee of the Company.	https://investors.tatamotors.com/pdf/audit_committee_charter.pdf
Policy for Approval of Services to be rendered by the Auditors	For the Audit Committee to oversee the services rendered by the Auditors to the Tata Motors Group and the payment for the said services so as to ensure that the Auditors function in an independent manner.	https://www.tatamotors.com/investors/pdf/auditfee-policy.pdf
Policy on determination of Materiality for Disclosure of Event / Information	This policy pursuant to the Regulation 30 of the SEBI Listing Regulations applies to disclosures of material events affecting the Company and its subsidiaries. This policy is in addition to the Company's corporate policy.	https://investors.tatamotors.com/pdf/materiality.pdf

Name of Policy, Code or Charter	Brief Description	Web Link
Content Archiving Policy	The policy pursuant to the Regulation 9 of the SEBI Listing Regulations provides guidelines for archiving corporate records and documents as statutorily required by the Company.	https://investors.tatamotors.com/pdf/content-archiving-policy.pdf
Code of Corporate Disclosure Practices [2]	This policy is aimed at providing timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information outside the Company in order to provide accurate and timely communication to our shareholders and the financial markets.	https://investors.tatamotors.com/pdf/CodeCorporateDisclosure.pdf
Dividend Distribution Policy	This policy pursuant to the Regulation 43A of the SEBI Listing Regulations outlines the financial parameters and factors that are to be considered whilst declaring dividend.	https://investors.tatamotors.com/pdf/dividend-distribution-policy.pdf
Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel, senior management and other employees.	https://investors.tatamotors.com/pdf/directors-appointment-remuneration.pdf

(1) Revised in line with the requirements under the SEBI Listing Regulations.

(2) Revised in line with the requirements under the SEBI Insider Trading Regulations.

On behalf of the Board of Directors

N Chandrasekaran
Chairman
(DIN: 00121863)

Mumbai, May 18, 2021

DECLARATION BY THE CEO UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2021.

For Tata Motors Limited

Guenter Butschek
CEO & MD
(DIN: 07427375)

Mumbai, May 18, 2021

CEO/CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT (PURSUANT TO REGULATION 17 (8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 and we hereby certify and confirm to the best of our knowledge and belief the following:

a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

c. There are no transactions entered in to by the Company during the year ended March 31, 2021 which are fraudulent, illegal or violative of Company's Code of Conduct.

d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.

f. That there have been no significant changes in the accounting policies during the relevant period.

g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting

For Tata Motors Limited

Guenter Butschek
CEO & MD
DIN: 07427375

P B Balaji
Tata Motors Group
Chief Financial Officer

Mumbai, May 18, 2021

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
TATA MOTORS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Tata Motors Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Parikh & Associates**
Practising Company Secretaries

P. N. PARIKH
Partner
FCS: 327 CP: 1228
UDIN: F000327C000338159

Mumbai, May 18, 2021

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON DIRECTORS NON-DISQUALIFICATION

To,
The Members
TATA MOTORS LIMITED
Bombay House,
24, Homi Mody Street,
Mumbai 400001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TATA MOTORS LIMITED having CIN L28920MH1945PLC004520 and having registered office at Bombay House, 24, Homi Mody Street, Mumbai 400001 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Natarajan Chandrasekaran	00121863	17/01/2017
2.	Om Prakash Bhatt	00548091	09/05/2017
3.	Hanne Birgitte Breinbjerg Sorensen	08035439	03/01/2018
4.	Vedika Bhandarkar	00033808	26/06/2019
5.	Veerayya Chowdary Kosaraju	08485334	27/10/2020
6.	Mitsuhiko Yamashita	08871753	16/09/2020
7.	Thierry Yves Henri Bollore	08935293	27/10/2020
8.	Guenter Karl Butschek	07427375	15/02/2016

* the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**

Practising Company Secretaries

P. N. PARIKH

Partner
FCS: 327 CP: 1228
UDIN: F000327C000338170

Mumbai, May 18, 2021