

Board's Report

TO THE MEMBERS

The Directors are pleased to present herewith the Seventy Eighth Annual Report ('Integrated') of Tata Motors Limited ('the Company') along with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2023.

FINANCIAL HIGHLIGHTS

(₹ in crore)

PARTICULARS	Standalone**		Consolidated	
	FY 2023	FY 2022*	FY 2023	FY 2022
Revenue from operations	65,757.33	47,263.68	3,45,966.97	2,78,453.62
Total expenditure	60,047.46	45,034.04	3,03,475.46	2,44,430.90
Operating profit	5,709.87	2,229.64	42,491.51	36,147.23
Other Income	820.94	659.91	4,633.18	3,053.63
Profit before interest, foreign exchange, depreciation, amortization, exceptional item and tax	6,530.81	2,889.55	47,124.69	37,076.35
Finance cost	2,047.51	2,121.73	10,239.23	9,326.31
Profit before depreciation, amortization, exceptional item, foreign exchange and tax	4,483.30	767.82	36,885.46	27,750.04
Depreciation, amortization and product development/ engineering Expenses	2,665.92	2,354.47	35,522.32	34,045.19
Foreign exchange (gain)/loss (net)	279.76	136.81	(103.88)	78.68
Profit/(loss) before exceptional items and tax	1,537.62	(1,723.46)	1,467.02	(6,373.83)
Exceptional Items - (gain) / loss (net)	282.82	(83.41)	(1,590.53)	629.58
Profit/(loss) before tax	1,254.80	(1,640.05)	3,057.55	(7,003.41)
Tax expenses/ (credit) (net)	(1,473.33)	99.18	704.06	(4,231.29)
Profit/(loss) for the year from continuing operations	2,728.13	(1,739.23)	2,353.49	(11,234.70)
Profit/(loss) before tax for the year from discontinued operations	-	392.51	-	-
Tax expense/(credit) (net) of discontinued operations	-	44.14	-	-
Profit/(loss) after tax for the year from discontinued operations	-	348.37	-	-
Share of profit of joint venture and associates (net)	-	-	336.38	(74.06)
Profit/(loss) for the year	2,728.13	(1,390.86)	2,689.87	(11,308.76)
Other comprehensive income/(loss)	(250.35)	282.35	(1,915.33)	(455.19)
Total Other comprehensive income/(loss) for the year	2,477.78	(1,108.51)	774.54	(11,763.95)
Attributable to:				
Shareholders of the Company	-	-	479.20	(11,897.28)
Non-controlling interest	-	-	295.34	133.33

* The results of Passenger Vehicle ('PV') undertaking along with joint operation Fiat India Automobiles Private Limited ('FIAPL') for the period April 1, 2021 to December 31, 2021 has been disclosed as discontinued operations.

** It includes the Company's proportionate share of income and expenditure in its joint operations, namely, Tata Cummins Private Limited.

FINANCIAL PERFORMANCE

The commitment of the Company to cater to the aspirations of its valued customers, sustained efforts in creating the right teams and culture and embedding innovation, technology and sustainability at the core of its business has resulted in your Company achieving an improved financial performance through better volumes, improved product mix and cost savings.

Operating Results and Profits

Consolidated revenue of the Company from operations was ₹3,45,967 crore in FY 2022-23, which was 24.2% higher than the revenue of ₹2,78,454 crore in FY 2021-22 and the highest ever revenue in the history of the Company.

The consolidated EBITDA margin was at 10.7% in FY 2022-23 as compared to 9.6% in FY 2021-22. EBIT margin stood at 3.6% in FY 2022-23 as compared to 0.7% for FY 2021-22. Profit for the period (including share of associates and joint ventures) stood at ₹2,690 crore in FY 2022-23 as compared to loss of (₹11,309 crore) in FY 2021-22.

The free cash flow (auto) was positive at ₹7,840 crore in FY 2022-23 compared to a free cash flow (auto) negative at ₹9,472 crore in FY 2021-22.

Please refer to the paragraph on Operating Results in the Management Discussion & Analysis section for detailed analysis.

Standalone revenue from operations (including joint operations, excluding discontinued operations) was ₹65,757 crore in FY 2022-23 which was 39% higher than the revenue of ₹47,264 crore in FY 2021-22. The profit before and after tax (including joint operations) for FY 2022-23 were ₹1,255 crore and ₹2,728 crore, respectively as compared to loss before and after tax (including joint operations) of ₹1,640 crore and ₹1,391 crore, respectively for FY 2021-22. The Company has recognized deferred tax asset of ₹1,615 crore because of arising from planned divestments which will yield capital gains against which such unabsorbed depreciation and capital loss will be set off.

Jaguar Land Rover ('JLR'), (as per IFRS) recorded revenue of GBP 22.8 billion in FY 2022-23 compared to GBP 18.3 billion in FY 2021-22, up by 24.5%. For FY 2022-23, wholesales (excluding China joint venture) were 3,21,362, up by 9% and retails were 3,54,662, down by 6%. This reflects the continued improvement we are seeing in the ongoing semiconductor constraints, while FY 2021-22 retails were supported by one time inventory reductions. While full year financial results reflect the constrained sales volumes, the continuing reduction in our breakeven point through revenue and cost

management under the Refocus transformation programme enabled the Company to achieve positive margins and cash flow for the year. Loss before tax and exceptional items was GBP 64 million in FY 2022-23, an improvement compared to the GBP 412 million loss before tax and exceptional items in FY 2021-22, reflecting the improvement in y-o-y volumes.

DIVIDEND

Dividend Distribution Policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of the Company had formulated a Dividend Distribution Policy ('the Policy'). The Policy is available on the Company's website URL: <https://investors.tatamotors.com/pdf/dividend-distribution-policy.pdf>

Declaration and Payment of Dividend

Considering the Company's improved financial performance, the Board is pleased to recommend a dividend of ₹2.00 per Ordinary share of ₹2.00 each (100%) and ₹2.10 per 'A' Ordinary share of ₹2.00 each (105%) for FY 2022-23. The Board has recommended such dividend based on the parameters laid down in the Policy and dividend will be paid out of the profits for the year.

The said dividend, if approved by the Members at the ensuing Annual General Meeting ('the AGM') will be paid to those Members whose name appears on the register of Members (including Beneficial Owners) of the Company as at the end of July 29, 2023. The said dividend, if approved by the Members, would involve cash outflow of ₹771 crore, resulting in a payout of 28% of the standalone net profit of the Company for FY 2022-23.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

Book Closure and Record Date

The Register of Members and Share Transfer Books of the Company will be closed from Saturday, July 29, 2023, to Tuesday, August 8, 2023 (both days inclusive) and the Company has fixed Saturday, July 29, 2023 as the "Record Date" for the purpose of determining the entitlement of Members to receive final dividend for the financial year ended March 31, 2023.

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TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profit for FY 2022-23 in the distributable retained earnings.

An amount of ₹ 199.80 crore and ₹ 1.30 crore was transferred from Debenture Redemption Reserve and Share based payments reserve respectively, to distributable retained earnings, as at March 31, 2023.

BUSINESS PERFORMANCE

Tata Motors Group sales for FY 2022-23 stood at 12,84,898 vehicles, up by 24% as compared to FY 2021-22. Global sales of all Commercial Vehicles were 4,22,580 vehicles, while sales of Passenger Vehicles were at 8,62,318 vehicles.

Please refer to the paragraph on Overview of Automotive Operations in the Management Discussion & Analysis section for detailed analysis.

Commercial Vehicles ('CV')

The Indian CV Industry continued the growth trajectory and overall, the industry saw a robust growth of 34% in wholesale and 38% by VAHAN registrations in FY 2022-23. This growth was primarily led by the Medium and Heavy Commercial Vehicle ('M&HCVs') (+52.4% vs FY 2022-23) and continued robust recovery in passenger carriers (+155% in FY 2022-23). This growth was catalysed by robust demand for heavy trucks required to service the strong infrastructure push by the Government of India and increased activity in e-commerce, construction, and mining. Higher replacement demand, advance buying in anticipation of price hikes, further buoyed the demand in Q4 FY 2022-23. Overall, Tata Motors CV domestic sale in FY 2022-23 was 22% higher than in FY 2021-22, while domestic VAHAN registrations volumes were 29% higher than FY 2021-22.

CV business recorded its highest ever revenue for the quarter Q4 FY 2022-23 and for the FY 2022-23. We revised our operating model to deliver "Profitable Growth". Shifting gears from "supply chain push" to "retail pull", which impacted registration VAHAN market share in October 2022, however, the share has sequentially grown thereafter in second half.

CV business improved on key customer facing metrics and its Net Promoter Score and Brand power increased by 300bps and 170 bps, respectively to reach their highest ever levels. The business also improved its Composite Customer Satisfaction Index from 792 to 813 (+3%) in FY 2022-23.

The CV Business transitioned its entire portfolio to BSVI Phase II with improved competitiveness. In FY 2022-23, 40+ products and 150+ variants were launched. The business also shared

its Green portfolio plans through 14 exhibits across all future powertrain technologies at Auto Expo23.

Tata Motors achieved Industry Leadership band in Tata Business Excellence Model ('TBEM') external assessment qualifying for JRD QV award, with significant jump in score across categories. Tata Motors CV was assigned Level-5, Exemplary category in recent CII Total Cost Maturity ('TCM') assessment, the highest achieved score by any organization.

CV exports, remained subdued due to the prevailing economic situation in most overseas markets. In FY 2022-23 the export shipments were 42% lower than FY 2021-22, while revenue was down by 22% due to improved mix. Major drop was witnessed in the SAARC region (-62%) driven by Total Industry Volume ('TIV') softening, forex shortages, and liquidity crunch in the latter half of the year. MENA and ASEAN regions witnessed 6% y-o-y growth in exports. The business retained or grew its market share and also sequentially improved margins across most markets.

Please refer to the paragraph on Commercial Vehicles in India in the Management Discussion & Analysis section for detailed analysis.

Passenger Vehicles ('PV')

The PV industry recorded 27% y-o-y wholesale growth in FY 2022-23. The industry recorded highest ever annual wholesale volumes of 3.8 million in FY 2022-23. Sports Utility Vehicle ('SUVs') continue to garner larger share of sales in the market. The growth has come on the back of pent-up demand in the first half of FY 2022-23, exciting launches, good festive demand and overall increase in supplies. Share of SUVs increased to 43.1% in FY 2022-23, 3% higher than FY 2021-22 and share of Hatches decreased to 34.5% in FY 2022-23, 3.1% lower than FY 2021-22. Share of Sedans, MPVs and Vans remained flat at around 10.5%, 8.5% and 3.5%, respectively.

In FY 2022-23, the PV business crossed the coveted milestone of 5 lakh annual vehicle sales first time in the history and became the 3rd manufacturer to do so in the Indian market. Domestic wholesale volumes were 539K and VAHAN market share stood at 13.5% in FY 2022-23, an increase of 210bps vis-à-vis FY 2021-22. The growth has come on the back of continued response for the product range, thoughtful 'New Forever' interventions, multi-powertrain options, focused reimagining initiative towards demand generation and consistent increase in supplies. For the year FY 2022-23, the SUV segment achieved market share of 21.4% and emerged as #1 SUV manufacturer for FY 2022-23.

In January 2023 at Auto Expo, 12 promising showcases which include Avinya, Sierra EV, Harrier EV, Curvv ICE, Altroz and Punch CNG with twin cylinder technology and Altroz

Café racer were displayed. The #DARK (Red Hot Dark) versions for Nexon, Harrier and Safari were launched in February 2023, extending the lineage of the iconic #DARK philosophy and already established strong design, these SUVs exude dynamism through the newly added Carnelian Red highlights, giving it an exclusive premium feel combined with a bold look. Harrier and Safari were further enhanced with a desirable larger infotainment Screen of 26.03 cm (10.25 inch) and 10 new ADAS features.

PV exports for FY 2022-23 closed at 2,451 units, 36% higher than previous year, largely on account of market recovery and penetration of Electric Vehicle in Nepal. Major highlights for FY 2022-23 was that the business achieved highest ever shipment market share of 50.1% in Nepal. Nexon remained the highest selling Brand name and Tigor remained the highest selling Sedan in Nepal.

Please refer to the paragraph on Tata Passenger Vehicles in the Management Discussion & Analysis section for detailed analysis.

Electric Vehicles ('EV')

EV industry witnessed significant growth in FY 2022-23 owing to progressive EV policies launched by multiple state governments, launch of new products, proliferation of public charging infrastructure, increasing awareness of home charging and increasing acceptance of EVs amongst customers. The industry grew by ~170% from ~22,000 in FY 2021-22 to ~59,000 in FY 2022-23. EV fleet demand has seen a considerable growth in FY 2022-23 as corporates started 'work-from-office' and people re-started using ride hailing services with receding of Covid-19 scare. In addition, owing to commitment towards sustainability, both Corporates and Ride hailing companies, are driving the agenda of converting respective fleets to electric.

Tata Motors continued to lead the charge in EVs and crossed 50,000 units (50,0043) sales, including International business sales, in FY 2022-23 registering growth of 154% over FY 2021-22. We exited Q4 FY 2021-23 with EV penetration ~12% in our portfolio. In addition, given our compelling offering, the Tigor EV, for the fleet segment and our continuous engagement with fleet operators, we garnered the largest share of the orders floated across industry. In FY 2022-23, we signed MoUs for deploying over 45,000 EVs to multiple service providers.

JAGUAR LAND ROVER ('JLR')

JLR wholesales (excluding the China joint venture) were 3,21,362 vehicles in FY 2022-23, up 9% compared to FY 2021-22 reflecting the gradual improvement in chip supplies. JLR retail sales (including the China joint venture) were 3,54,662 vehicles in

FY 2022-23, down 6% y-o-y as a result of destocking of inventory during FY 2021-22 creating a timing difference vs wholesales. Retail sales have been improving during FY 2022-23.

Please refer to the paragraph on JLR in the Management Discussion & Analysis section for detailed analysis.

Some of the key highlights of FY 2022-23 were:

- Order book at ~200,000 units remained strong but as expected was down from the peak of around 215,000 units.
- Ramp up of the new Range Rover and Range Rover Sport approaching target production levels.
- Demand for Defender remained well ahead of the expectations at launch and was the best-selling model in FY 2022-23. A third shift has been added in Nitra to meet customer demand.
- Strong engagement with chip suppliers continued to secure in calendar year 2023 and 2024 supplies.
- Pricing and mix have been managed throughout the year to offset the impacts of inflation leading to an increase in average wholesale price to dealers from ₹62k per unit in FY 2021-22 to ₹71k per unit in FY 2022-23.

Tata Daewoo Commercial Vehicle Company Limited ('TDCV')

The revenues for FY 2022-23 were increased by 6.5% to KRW 937.89 billion as compared to KRW 880.74 billion in FY 2021-22. Overall sales volume increased by 0.4% to 9,493 units in FY 2022-23 from 9,454 units in FY 2021-22. From the second half of FY 2022-23, domestic sales were adversely impacted due to downturn in Korean economy, which was compensated by strong demand in exports.

Please refer to the paragraph on Tata Commercial Vehicles and Tata Passenger Vehicles in the Management Discussion & Analysis section for detailed analysis.

TMF Holdings Limited ('TMFHL')

Covid-19 linked concessions granted to creditors, affected the restructured book in first half of FY 2022-23, resulting in a sharp increase in credit losses during the year. The Company also increased provisions on restructured book to cover for expected losses. Tata Motors Finance Group Assets Under Management ('AUM') reduced by 4.2% y-o-y to ₹43,338 crore, as against ₹45,220 crore in the previous year. CV market share dropped to 17% due to aggressive competition from Banks in heavy commercial vehicle space. Net Income Margins shrunk from 5.2% to 5.0%, mainly on account of an increase in borrowing rates during the year. Gross Non-Performing Assets provision coverage increased from

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43% as of March 31, 2022 to 48% as of March 31, 2023. As a result, consolidated profit before tax for FY 2022-23 was at loss of ₹993 crore as against profit of ₹101 crore in FY 2021-22.

Please refer to the paragraph on Tata and other brand vehicles-Vehicle Financing in the Management Discussion & Analysis section for detailed analysis.

SHARE CAPITAL

During the year, the Company issued and allotted 6,82,318 Ordinary shares of ₹2/- each of the Company, pursuant to exercise of stock options by the eligible employees of the Company and its subsidiary companies, under the Tata Motors Limited Employees Stock Option Scheme 2018. As a result of such allotment, the paid up share capital increased from ₹ 7,65,88,07,311 (comprising of 3,82,91,64,903 equity share of ₹ 2/- each) to ₹ 7,66,01,71,947 (comprising of 3,82,98,47,221 equity share of ₹ 2/- each). The shares so allotted rank pari-passu with the existing share capital of the Company. Except as stated herein, there was no other change in the share capital of the Company.

FINANCE & CREDIT RATING

Despite challenges caused by supply chain issues at JLR, the Tata Motors Group managed its finances prudently, meeting the business needs and maintaining sufficient liquidity at all times to navigate the impact of external challenges. In FY 2022-23, owing to strong business performance, Tata Motors Limited prepaid some of its long-term borrowings, in line with its commitment to deleverage. The Company prudently managed its finances in rising interest rate scenario. The Company did not raise any long-term debt in FY 2022-23. As at March 31, 2023, the Group liquidity for domestic operations was ₹9,233 crore, whereas the liquidity at JLR was ₹ 5.3 bn (including unutilized credit facility of ₹1.5 bn). The net debt for domestic operations stood at ₹6,159 crore, whereas the net debt at JLR was ₹ 3.0 bn.

As business performance improved sequentially, the credit ratings of the Company underwent positive revisions. In February 2023, ICRA upgraded the outlook to Positive from Stable, whereas in April 2023, S&P upgraded the credit rating of the Company from BB-/Stable to BB/Stable.

Please refer to the paragraph on Credit Ratings in Corporate Governance Report and Liquidity and Capital Resources in the Management Discussion & Analysis section for detailed analysis.

Material Changes and Commitment Affecting the Financial Position

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2022-23 till the date of this Report.

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Company and its subsidiaries for FY 2022-23 have been prepared in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and as stipulated under Regulation 33 of 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 statements together with the Independent Auditor's Report thereon form part of this Annual Report.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of the subsidiary companies is attached to the Financial Statement in Form AOC-1.

Further, pursuant to the provisions of Section 136 of the Act, the Company will make available the said financial statement of the subsidiary companies upon a request by any Member of the Company or its subsidiary companies. These financial statements of the Company and the subsidiary companies will also be kept open for inspection by any member. The members can send an e-mail to inv_rel@tatamotors.com upto the date of the AGM and the same would also be available on the Company's website URL: <https://www.tatamotors.com/investors/annual-reports/>

SUBSIDIARY, JOINT ARRANGEMENTS AND ASSOCIATE COMPANIES

The Company has 88 subsidiaries (15 direct and 73 indirect), 11 associate companies, 4 joint ventures and 2 joint operations as at March 31, 2023, as disclosed in the accounts.

A diagrammatic representation of the subsidiary structure is available on the Company's website at: <https://www.tatamotors.com/investors/annual-reports/>

During FY 2022-23, the following changes have taken place in subsidiary / associates / joint venture companies:

- Trilix S.r.l, ceased to be Wholly Owned Subsidiary ('WOS') of Tata Motors Passenger Vehicles Limited ('TMPVL') and became a WOS of Tata Passenger Electric Mobility Limited ('TPEML') w.e.f April 28, 2022.
- TML Smart City Mobility Solutions Limited was incorporated on May 25, 2022, as a direct subsidiary of Tata Motors Limited.
- TML Smart City Mobility Solutions (J&K) Private Limited was incorporated on October 13, 2022, as a direct subsidiary

of TML Smart City Mobility Solutions Limited, a direct subsidiary of Tata Motors Limited.

- JT Special Vehicles Private Limited's name was changed to Jaguar Land Rover Technology and Business Services Private Limited with effect from April 12, 2022.
- The Company during the year has completed the procedural requirements mentioned under the Share Purchase Agreement executed between Marcopolo S.A, Joint Venture Partner, Tata Marcopolo Motors Limited ('TMML') and the Company for acquiring the entire shareholding in TMML held by Marcopolo SA. TMML became the Company's WOS w.e.f August 29, 2022. The name of TMML was changed to Tata Motors Body Solutions Limited w.e.f. December 30, 2022.
- TPEML, a WOS of the Company received the second tranche of investment amount ₹3,750 crore from TPG Rise Climate ('TPG') in January 2023, pursuant to the Shareholders Agreement ('SHA') signed in November 2021. With this investment, TPG completed its investment of ₹7,500 crore as contemplated in the SHA.

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

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

RISK MANAGEMENT

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement, monitor and review the Risk Management plan and to ensure its effectiveness.

Through an Enterprise Risk Management Program, the business units and the corporate functions address their short term, medium term and long terms risks. The Audit committee has an additional oversight on the financial risks and controls.

Please refer to the paragraph on the Risk factors in the Management Discussion & Analysis section for detailed analysis.

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.

Please refer to the paragraph on Internal Control Systems and their Adequacy in the Management Discussion & Analysis section for detailed analysis.

HUMAN RESOURCES

Please refer to the paragraph on Human Resources / Industrial Relations in the Management Discussion & Analysis section for detailed analysis.

DIVERSITY AND INCLUSION

The Company believes that 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. 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 diversified leaders in near future.

The Company employed 7.64% women employees in FY 2022-23 vis-à-vis 4.97 % in FY 2021-22.

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

During FY 2022-23, the Company had received eleven complaints on sexual harassment of which six have been suitably closed in accordance with the Company's processes. The pending cases are largely cases that were registered in Q4 FY 2022-23 and are in various stages of enquiry / redressal (of the five open cases, three have been closed as of May 12, 2023). The Company organized over 279 awareness workshops across various locations in order to cover flexible and temporary workforce, contractual staff, blue collar employees, new joiners etc. covering approximately 12,500 resources. An e- module on Prevention of Sexual Harassment ('POSH') awareness is rolled out as a mandatory training for all permanent White collar employees from time to time and mandatory for new joiners on joining. In order to ensure uniform understanding and larger coverage, a video based awareness module has been developed in local languages

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for the blue collar and contractual employees and is ready for deployment.

Tata Motors Limited Schemes ('Schemes')

The Company has in force the following Schemes, which were framed under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations'):

- Tata Motors Limited Employees Stock Option Scheme 2018 ('TML ESOP 2018'); and
- Tata Motors Limited Share-based Long Term Incentive Scheme 2021 ('TML SLTI Scheme 2021').

TML ESOP 2018

Pursuant to the approval of Members at the AGM held on August 3, 2018, the Company adopted TML ESOP 2018, in order to retain and incentivize key talent, for driving long term objectives of the Company and ensuring that employee payoffs match the long gestation period of certain key initiatives whilst simultaneously fostering ownership behavior and collaboration amongst employees. The TML ESOP 2018 was implemented for grant of not exceeding 1,38,00,000 Stock Options in aggregate to entitle the grantees to acquire, in one or more tranches, not exceeding 1,38,00,000 Ordinary Shares of the Company of the face value of ₹ 2/- each at an Exercise price of ₹ 345/- per share.

During the FY 2022-23 at the AGM held on July 4, 2022 Members approved amendment in TML ESOP 2018. As of March 31, 2023, out of the said 81,47,633 stock options so granted, 24,96,465 stock options have been vested, out of which 11,13,230 stock options have been exercised. Further, stock options 19,34,853 remained unvested and 2,72,335 stock options had been treated as lapsed and forfeited.

Subsequently, the Company had allotted 79,821 Ordinary Shares of ₹2/- each during the period from April 1, 2023 to the date of this Report under TML ESOP 2018.

TML SLTI Scheme 2021

Pursuant to the approval of Members at the AGM held on July 30, 2021, the Company adopted TML SLTI Scheme 2021. The TML SLTI Scheme comprises of two reward mechanisms; (a) Performance Share Units, and (b) Stock Options. The objective of TML SLTI Scheme 2021 is to reward Eligible employees of the Company and of the subsidiary companies, to drive long term objectives of the Company, to motivate and retain employees by rewarding for their performance, to retain and incentivize key talent to

drive long term objectives of the Company, to ensure that the senior management employees' compensation and benefits match the long gestation period of certain key initiatives; and to drive ownership behaviour and collaboration amongst employees.

In terms of TML SLTI Scheme 2021, (i) Not exceeding 75,00,000 Ordinary Shares of the face value of ₹2/- each fully paid up, and (ii) Not exceeding 14,00,000 Ordinary Shares of the face value of ₹2/- each fully paid up; are available for grant by the Company to the eligible employees of the Company and that of its subsidiary companies. The Eligible employees shall be granted stock options and/or performance share units, as determined by Nomination and Remuneration Committee ('NRC').

During FY 2022-23, there has been no change in the TML SLTI Scheme 2021. In FY 2021-22, 8,39,650 stock options and 9,64,569 Performance share units were granted and in FY 2022-23, 659,186 Performance share units were granted. There were no performance share units vested or any shares issued on vesting during the year and no stock options and no performance share units had lapsed and forfeited.

The statutory disclosures as mandated under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI Regulations 2021') and a certificate from the Secretarial Auditors confirming implementation of the above Schemes in accordance with SBEB Regulations and Members approval, will be available for electronic inspection by the Members during the AGM and is also hosted on the website of the Company URL: <https://www.tatamotors.com/investors/ESOP/>

PARTICULARS OF EMPLOYEES AND REMUNERATION

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 particulars of employees as required 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 as a separate 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 AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report ('BRSR') 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

With continuation of Safety Excellence Journey, the Company has achieved another Fatality Free Year 2022-23. In our endeavor towards achieving benchmark safety culture, multiple initiatives were started last year which helped the Company improve on hazard mitigation and risk reduction.

The Company Leadership team conducted detailed review of safety management system in April 2022 and came up with a comprehensive 'Zero Incident Plan'. 31 themes and 51 major actions were initiated across the Company with a L2 leader leading 5 pillars of a plan each. For Hazard mitigation, first project to be launched was on identifying Critical to Safety Stations ('CTS') and mitigation of hazards through appropriate safety controls namely; S1 (People control), S2 (engineering control) and S3 (elimination/substitution or failsafe control) across the Company's plant locations. This systematic approach towards hazard identification and mitigation helped the Company reduce injuries at 801 CTS stations by 33%. In FY 2022-23, the Company started focused contractor employee safety initiative for 2 critical areas where potential hazard is highest. These activities are vehicle movement/ store management and conservancy services. Over a year, 109 administrative/ 26 engineering safety controls were established in vehicle movement/store management and 69 administrative/8 engineering controls in conservancy operations. In addition, 72 Safety Kaizen exercises were done across locations with themes such as manual handling of material, safety implementation in logistics area, ladder/ stair safety and vehicle movement safety. In commercial safety, we launched a 'Model Workshop plan' for our dealer workshops in all corners of the country. In this initiative a standardized safety management system was installed in workshops, Capability building on safety done, appointment

of a safety resource ensured and continuous improvement in safety initiated. In the first year of the program, 42 workshops across country were identified as a 'Model workshops'.

Tata Motors safety performance was monitored and reviewed through Pro-active Safety Index which is a combination of lag ('TRCFR reduction') and lead (18 lead safety measures) parameters. Focused training sessions on Root Cause Failure Analysis, Incident investigation techniques and I-care to improve risk perception among employees were conducted. Special Attention was given to impart training to new joiners to improve their capabilities on risk perception and working safely. Digital analytics is being leveraged for improved analysis and identifying focus areas.

In FY 2022-23, for the Company's plants, Total Recordable Case Frequency Rate is reduced by 37% to 0.66, against 1.04 reported in FY 2021-22. Lost Time Injury Frequency Rate in FY 2022-23 reduced by 41% to 0.13 compared to 0.22 in FY 2021-22. Measure of Proactive Safety performance, Proactive Safety Index-2 (higher the better) was at 98.06% in FY 2022-23 compared to 70% in FY 2021-22.

The Company has robust governance mechanism for Occupational Safety & Health, where reviews are undertaken at multiple levels. The Safety, Health and Sustainability Committee of Board is an apex review body, which reviews performances quarterly, followed by monthly reviews by SHE Council, chaired by Executive Director. Further reviews at factory level are taken by Apex Committees (led by plant heads), various Sub-committees for Safety Standards and then the Factory Implementation committees. For Non-manufacturing areas, focused safety reviews happen at defined frequency at regional offices with Customer Service and Warehouse teams.

The Company adopted 'A Healthy Workplace' framework by "Arogya World" which is a NGO working to prevent non-communicable diseases in India. In this framework, there are 2 distinct themes namely; non-communicable disease prevention & Emotional wellness. Various initiatives like Tobacco de-addiction, weight management program, healthy eating, supporting recovery, managing stress & manager sensitization program on stress signals were undertaken.

The Company provides "Employees Assistance Program"- a confidential, third party, free of cost counselling service for employees and dependants since April 2020. During FY 2022-23, 543 employees and dependants availed counselling service through helpline. 24 online sessions on Emotional wellbeing were organized and 4646 employees attended these sessions.

BOARD'S REPORT

During FY 2022-23, the Company received recognition and accolades for Occupational Health & Safety. TBEM external assessors identified 2 safety practices- 'Critical to safety Stations and SIS2S3 safety controls' & 'Proactive safety Index' as a Promising Practices. The Company also received Gold award from OSSHA1 for excellence in Occupational Health & safety. For Occupational health, the Company received Gold award in healthy workplace program by Arogya World.

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 2022-23 the said ENCON efforts contributed to energy savings of 34.42 lakh kWh electricity and 23,098 GJ of fuel, resulting into avoided emission of 5220 tCO₂e and cost savings of ₹4.89 crores to the Company. In FY 2022-23, the Company generated / sourced 81 million kWh of renewable electricity for its manufacturing operations, which amounts to 23.5 % of the total power consumption and contributed in avoidance of emission of 57,427 tCO₂e.

The Company generates renewable energy (RE) in-house through solar PV (photovoltaic) installations, off-site captive wind farms and through procurement of off-site wind and solar power through "Power Purchase Agreements" ('PPA's'). As on FY 2022-23, the Company's in-house installed Solar PV installation capacity is Pimpri (Pune) - 5.8 MWp; Chinchwad (Pune) - 0.435 MWp; Jamshedpur - 7.5 MWp; Pantnagar - 7 MWp; Lucknow - 4.07 MWp; and Dharwad - 1 MWp.

In FY 2022-23, the Company conserved a total of 8,09,036.3 lakh m³ of water through recycling effluent and rainwater harvesting, which is 21% of total water consumption. Two Plants achieved Water Neutral certification in FY 2022-23 and remaining Plants are working towards achieving the same. In FY 2022-23, 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') Rules, 2014 are set out in **Annexure - 2** of this Report. The CSR 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 2022-23 is uploaded on the website of the Company and the same is available on <https://www.tatamotors.com/investors/annual-reports/>

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment / Re-appointment

As reported last year, Mr Al-Noor Ramji (DIN: 00230865), was appointed as an Additional Director and Non-Executive Independent Director on the Board of the Company w.e.f May 1, 2022. Mr Om Prakash Bhatt (DIN: 00548091) and Mrs Hanne Birgitte Sorensen (DIN: 08035439) were re-appointed as Non-Executive Independent Directors on the Board of the Company w.e.f May 9, 2022 and January 3, 2023, respectively. Aforesaid appointments were approved by the Members at the 77th AGM held on July 4, 2022.

The Board of Directors on the recommendation of NRC and in accordance with provisions of the Act and SEBI Listing Regulations has appointed Mrs Usha Sangwan (DIN: 02609263) as an Additional and Non-Executive Independent Director on the Board for a tenure of 5 years w.e.f. May 15, 2023, subject to approval of Members at this

AGM. She shall hold office as Additional Director upto the date of this AGM and is eligible for appointment as a Director.

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

Mr Thierry Bolloré (DIN: 08935293) vide letter dated November 16, 2022, tendered his resignation as the Chief Executive Officer of Jaguar Land Rover Automotive Plc, UK ("JLR"), a WOS of the Company due to personal reasons w.e.f. December 31, 2022. Consequent upon cessation of his aforesaid employment with JLR, Mr Thierry Bolloré has resigned as Non-Executive Non-Independent Director of the Company w.e.f December 31, 2022.

The Board of Directors places on record their appreciation for contributions made by Mr Bolloré during his tenure.

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 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, Mr Kosaraju Chowdary and Mr Al Noor Ramji are the Independent Directors of the Company as on date of this Report.

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the 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 2022-23 were:

- Mr Girish Wagh, Executive Director
- Mr Pathamadai Balachandran Balaji, Group Chief Financial Officer
- Mr Maloy Kumar Gupta, Company Secretary

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis, as required in terms of the SEBI Listing Regulations, is annexed to this Report.

MEETINGS OF THE BOARD

The Board of Directors held 6 (six) meetings during the FY 2022-23. 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
- Technology Committed

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

BOARD'S REPORT

BOARD EVALUATION

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

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

The Chairman of the Board had one-on-one meetings with the Independent directors and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

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

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Please refer to the Paragraph on Familiarisation Programme in the CG Report for detailed analysis.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

Selection and procedure for nomination and appointment of Directors

The 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 behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

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

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

VIGIL MECHANISM

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

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and Wemployees 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. All persons have 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, ('BSR') Chartered Accountants (ICAI Firm No. 101248W/ W-100022), were re-appointed as the Statutory Auditors of the Company for a tenure of 5 years commencing from the conclusion of the 77th AGM of the Company until the conclusion of the 82nd AGM of the Company to be held in the year 2027.

The Statutory Auditor's Report does not contain any 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 of the forthcoming 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. - PI988MH009800), a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the year ended March 31, 2023. 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 & Cost Records

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, 2024. M/s Mani & Co. have, under Section 139(I) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

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.

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

OTHER DISCLOSURES

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the FY 2022-23 with related parties were on an arm's length basis and in the ordinary course of business and approved by the Audit Committee. Certain transactions, which were repetitive in nature, were approved through omnibus route.

BOARD'S REPORT

As per the SEBI Listing Regulations, if any Related Party Transactions ('RPT') exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover as per the last audited financial statement whichever is lower, would be considered as material and would require Members approval. In this regard, during the year under review, the Company has taken necessary Members approval. However, there were no material transactions of the Company with any of its related parties as per the Act. Therefore the disclosure of the Related Party Transactions as required under Section 134(3)(h) of the Act in AOC-2 is not applicable to the Company for FY 2022-23 and, hence, the same is not required to be provided.

The details of RPTs during FY 2022-23, including transaction with person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company are provided in the accompanying financial statements.

During the FY 2022-23, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, commission and reimbursement of expenses, as applicable.

Pursuant to the requirements of the Act and the SEBI Listing Regulations the Company has formulated a policy on RPTs and is available on Company's website URL: <https://investors.tatamotors.com/pdf/rpt-policy.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As per Section 186 of the Act, the details of Loans, Guarantees or Investments made during FY 2022-23 are given below:

Name of Companies	Nature of Transactions	₹ in crore	
		Loans	Investments
TML Smart City Mobility Solutions Ltd.	Equity infusion	--	5.00
Tata Motors Body Solutions Ltd. (previously known as Tata Motors Marcopolo Ltd.)	Equity investment	--	99.99
	Loan	15.00	--
TML CV Mobility Solutions Ltd.	Equity infusion	--	44.95
TML CV Mobility Solutions Ltd.	Loan	45.00	--

During FY 2022-23, 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 2022-23.

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- 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 profit of the Company for that period;
- 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;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Please refer to the paragraph on Internal Control Systems and their Adequacy in the Management Discussion and Analysis report for detailed 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.

INVESTOR EDUCATION AND PROTECTION FUND

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

GENERAL

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

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

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their contribution towards the Company's performance. The Directors would also like to thank the members, 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 12, 2023

Annexure – 1
Details of Remuneration of Directors, Key Managerial Personnel 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 2022-23:

Sr No.	Names of Directors	Designation	Ratio of remuneration [@] to median remuneration	% increase in the remuneration
I Non-Executive Director(s)				
1	Mr N Chandrasekaran ⁽¹⁾	Chairman- Non-Executive Director	-	-
2	Mr Om Prakash Bhatt	Independent Director	10.22	76.27
3	Ms Hanne Sorenson	Independent Director	10.18	86.87
4	Ms Vedika Bhandarkar	Independent Director	9.89	75.57
5	Mr Kosaraju Veerayya Chowdary	Independent Director	7.65	51.09
6	Mr Al Noor Ramji ⁽²⁾	Independent Director	*	*
7	Mr Mitsuhiro Yamashita	Non-Executive & Non-Independent Director	7.61	52.01
8	Mr Thierry Bolloré ⁽³⁾	Non-Executive & Non-Independent Director	*	*
II Executive Director				
9	Mr Girish Wagh ⁽⁴⁾	Executive Director	*	*
III Key Managerial Personnel				
1	Mr P B Balaji	Group Chief Financial Officer	N.A	21.07
2	Mr Maloy Kumar Gupta	Company Secretary	N.A	*

* since the remuneration of these Directors/KMPs is only for the part of the current year/previous year the ratio of their remuneration to median and increase in remuneration is not comparable.

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

Notes:

- 1) As a Policy, Mr N Chandrasekaran, Chairman, has abstained from receiving commission from the Company and hence not stated.
- 2) Appointed as an Independent Director of the Company, effective from May 1, 2022. Hence, his remuneration is not comparable.
- 3) Mr Bolloré ceased to be Non Executive Director of the Company effective December 31, 2022. Hence, his remuneration is not comparable.
- 4) Appointed as an Executive Director of the Company effective July 1, 2021. Hence, his remuneration is not comparable.

- 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	15.00	12.1
Blue Collar	9.15	15.2

The Median Remuneration of employees for the FY 2023 is ₹ 10.90 lakh. The percentage increased in the median remuneration of employees in the financial year was 17.6%.

2. The number of permanent employees on the rolls of Company as at March 31, 2023: 20,777

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 2023 (in %)
All permanent (Blue Collar and White Collar)	12.40
White Collar	10.31
Blue collar	15.77
Executive Directors / Managerial Remuneration	
Girish Wagh	*

* since the remuneration of the Director is only for the part of the previous year the increase in remuneration is not comparable.

Note: Salaries for blue collar includes only TFP (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. The remuneration for white collar does not include Long Term Incentives.

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

The Company confirms that the remuneration is as per the remuneration policy of the Company.

On behalf of the Board of Directors

N CHANDRASEKARAN

Chairman
(DIN: 00121863)

Mumbai, May 12, 2023

ANNEXURE - 2

Annual Report on Corporate Social Responsibility (CSR) Activities

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

(i) 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, Environment, Employability and Rural Development interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting rural and 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.
- (ii) **CSR Projects:** All the CSR projects are undertaken under four major thrust areas and the Rural Development space termed as Integrated Village development Initiative, these are namely: 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 engg. students, 3. Kaushalya (Employability): Drivers 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 Gujarat and Maharashtra. In the year 2022-23, a total of 8.01 Lakh beneficiaries were covered through CSR programmes.

- (iii) **Employee Volunteering:** Volunteering is one of the key mechanisms that we have chosen to give back to the society by channelizing our most valuable assets, our people, towards societal good. Over and above directing professional expertise and rich experience towards pressing environmental and social issues, volunteering enhances social cohesion and strengthens communities. Through this institutionalized volunteering, employees associate and engage with important causes and create a positive impact on the lives of many. In the year 2022-23, 9495 employees volunteered for 35,756 man-hours and benefitted 47,360 people

2. Composition of CSR Committee:

Sr. no.	Name of Directors	Designation/ (Nature of Directorship)	Number of meetings of CSR Committee held during the year	
			Held	Attended
1	Mr Om Prakash Bhatt	Chairman, (Non-Executive, Independent Director)	3	3
2	Ms Vedika Bhandarkar	Member, (Non-Executive, Independent Director)	3	3
3	Mr Kosaraju Veerayya Chowdary	Member, (Non-Executive, Independent Director)	3	3
4	Mr Girish Wagh	Member, (Executive Director)	3	3

3. 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/#programmes>

Weblink for CSR Board Committee
<https://www.tatamotors.com/about-us/leadership/>

4. 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:

Not applicable to the Company, since the Company did not meet the criteria specified under Section 135(5) of the Companies Act, 2013.

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

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

Total Amount Spent for the Financial Year	Amount Unspent (in ₹ Crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		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.
₹ 20.81 crore					Not Applicable

- (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	13
Sr. no.	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		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	
				State	District		(in ₹ Crore)	(in ₹ Crore)	(in ₹ Crore)		Name	CSR Registration number.

Not Applicable

Sl. 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): ₹ (4,141.67) crore
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

In view of the losses incurred by the Company in the preceding years, as per the provisions of Sec.135 of the Companies Act, there is no compulsion on the company to incur any expenditure on CSR activities. However, as a matter of its commitment to the society and to continue and nourish the CSR activities initiated earlier, the company spent an amount of ₹20.81 crore in the financial year 2022-23 on CSR activities in accordance with its CSR Policy.

(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
Sr.no.	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	State	Location of the project.	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).	Made of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	CSR Registration number.
1	Skill Development and vocational skills in Automotive and Non-Automotive Sector	Employability Enhancing Skill Development	yes	Andhra Pradesh	District Annedbad, Vobedara East Sighabum Bengaluru, Bigapur, Dhanwad, Hassan, Honnavar, Mangalore Ernakulam, Kannur, Kottayam, Thrissur, Thiruvananthapuram Mumbai, Nashik, Pune, Raighar, Thane Shillong, West Jaintia Hills, West Khasi Hills Balsore, Mayurbhanj Jalandhar Dindugal, Erode, Karur, Kumbakonam, Madurai, Thiruvallur, Nagapattinam, Thiruvananthapuram, Tiruchirappalli, Villuppuram Udhum Singh Nagar Barabanki, Lucknow Asansol, Bankura, Kolkata, Purba Medinipur West Bengal	1 yr	3.90	3.90	NA	NO	MITCON Foundation Agnel Institute of Technical Training & Entrepreneurship Development Yashasvi academy for skills YAD Foundation Shashwat Trust Junnar Pratham education foundation Skills for Progress Ramkrishna Mission Canara Bank Deshpande Rural Self Employment Training Institute Sankalpa Rural Development Society Vikas Samities Samand Education Trust Punyapatti medical & educational foundation Lok bharti education society Paryavaran evam jan kalyan samiti	CSR00001242 CSR00003513 CSR00000192 CSR00000374 CSR00003294 CSR00000258 CSR00006979 CSR00006101 CSR0000246 CSR00005657 CSR00016403 CSR00008524 CSR00009785 CSR00001361 CSR00020688
2.	Promoting primary and secondary education in Rural and Socially / Economically Backward communities	Promoting Education		Bihar - Delhi- Gujarat -Jharkand - Karnataka - Maharashtra Puducherry; Uttarakhand Uttar Pradesh - Pan India- Jawahar Navodaya Vidyalaya (UNV) Schools	East Sighabum Dharwad Mumbai, Kolhapur, Palgarhi, Pune, Sindhudurg, Thane Nanital, Udhum Singh Nagar Barabanki, Lucknow	1 yr	8.05	8.05	NA	No	Suprabhat Mahila Mandal The Bombay Young Men's Christian Association Manjee Foundation Sevashyag Foundation Youth Organisation for Joining Action And Knowledge Swadheep Shikshan Vikas Sansthan Avanti Fellows Tata Institute of Social Sciences Swami Vivekananda Youth Movement Shiksha Prasara Kendra	CSR00001592 CSR00003039 CSR00000043 CSR00000756 CSR00004499 CSR0000016 CSR00000837 CSR00003475 CSR00002215 CSR00014723

1	2	3	4	5	6	7	8	9	10	11	12	13	
Sr. no.	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	State	District	Location of the project.	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(f) (in ₹ Crore).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	CSR Registration number.
3.	Preventive and curative health services in Communities	Eradicating Hunger, Promoting preventive healthcare, Maturation, sanitation and safe drinking water		Bihar - Gujarat - Jharkhand - Karnataka - Maharashtra Uttarakhand Uttar Pradesh -	Saran Ahmedabad East Singhbhum Dhanwad Mumbai, Palghar, Pune, Thane Udham Singh Nagar Barabanki, Lucknow		1yr	338	338	NA	No	Sneh Foundation Snehdeep Janakiyan Foundation Niramaya health foundation LTH Silver Jubilee Research Foundation Family Planning Association of India Parivar Kalyan Sansathan Nav Jagrat Manav Samaj Namaste Life Sumant Moolgaokar Development Foundation Institute of Social Development	CSR00002375 CSR00003437 CSR00000186 CSR000008795 CSR00002424 CSR00014716 CSR00012716 CSR00007943 CSR000006722 CSR00006539
4.	Ensuring environmental sustainability through awareness and protection of natural habitats			Gujarat - Jharkhand - Karnataka Maharashtra Uttarakhand	Ahmedabad East Singhbhum Dhanwad All district Udham Singh nagar		1yr	397	397	NA	No	Terre Policy Center Wildlife research and Conservation Society Gram Vikas Kendra Asitthva welfare foundation Manav Seva Education & Charitable Trust	CSR00001446 CSR00004158 CSR00014729 CSR00006147 CSR00005326
5.	Rural Development	Rural development projects		Maharashtra Gujarat	Palghar Bawla-Ahmedabad		1yr	116	116	NA	No	BAIF institute for sustainable livelihoods and development Collectives for Integrated Livelihood Initiatives (cili) Dharti Charitable Trust	CSR00000259 CSR00000508 CSR00007331

(d) Amount spent in Administrative Overheads: ₹0.35 crore

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): (0+ 20.46+ 0.41+ 0) = ₹20.81 crore

(g) Excess Amount Set off, if any:

BOARD'S REPORT

Sr. no.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	Not applicable
(ii)	Total amount spent for the Financial Year	20.81
(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:

Sr. 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.			Amountv remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹ Crore)	Date of transfer.	
Not applicable							

(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
Sr. no.	Project ID.	Name of the Project.	Financial Year in which the project was Commenced.	Project Duration.	Total amount allocated for the Project (in ₹ Crore)	Amount spent on the project in the reporting Financial Year (in ₹ Crore)	Cumulative amount spent at the end of reporting Financial Year (in ₹ Crore)	Status of the project - Completed /Ongoing.
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. NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

There was no creation or acquisition of capital asset through CSR spent in FY 2022-23

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 12, 2023

Girish Wagh
Executive Director
DIN: 03119361

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. Some of the major ENCON Projects in FY 2022-23 include:

- Jamshedpur: Elimination of baking oven operation through Quick Dry Paint implementation in Frame Factory, operation of cooling tower pump motor of CCHF furnace through VFD in Heat Treatment-Transmission.
- Pimpri : VFD, LED, HVLS fan projects in manufacturing areas, fuel saving by process temperature optimization for manufacturing area.
- Chinchwad and Maval Foundry: Commonisation of pump room, cycle optimisation of decorating machine, yield improvement & diesel consumption reduction in ladle preheater area.
- Lucknow : Top coat booth balancing at paint shop and installation of VFD for wash pump of beam washing machine.
- Pantnagar: Pressure scheduling in paint shop by installing IFC unit ,New ED paint implementation having low baking temperature.

- Dharwad: Monitoring power consumption through Industry 4.0 digitalisation and LED migration projects.

These ENCON efforts in FY 2023 have resulted into energy savings of 34.42 lakh kWh electricity and 23098 GJ of fuel resulting into avoided emission of 5220 tCO₂e and cost savings of ₹ 4.89 crore.

(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 2022-23, which brings the total installed capacity to:

- 5.8 MWp Solar PV installation at Pune (Pimpri);
- 7.5 MWp Solar PV at Jamshedpur;
- 7 MWp Solar PV installation at Pantnagar;
- 0.435 MWp Solar PV installation at Chinchwad;
- 4.07 MWp Solar PV installation at Lucknow ;
- 1 MWp Solar PV installation at Dharwad;

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

In FY 2022-23 the Company generated / sourced 81 million kWh of renewable electricity for its manufacturing operations which is 23.5% of the total power consumption. This contributed to avoidance of 57,427 tCO₂e

(iii) The capital investment on energy conservation equipment:

In FY 2022-23, the Company has invested ₹ 2.87 crore in various energy conservation projects.

BOARD'S REPORT

Awards / Recognition received during the year is as below:

1. Jamshedpur won the top position in Energy Intensive Group at the 15th CII ENCON Awards 2022, organised by CII Eastern Region.
2. Pimpri won 23rd "CII - National Award for Excellence in Energy Management-2022"

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Technology & Product Development with Sustainability focus: In fiscal 2023, on the commercial vehicle front, Tata Motors continued with focus on the developing products & technologies for catering to the megatrends (CESS – Connected, Electric, Safe & Shared) that have been impacting the automotive industry. To leverage new growth areas in product and services, company furthered the features being offered through its connected vehicle platform in the Indian market, which is branded under the Fleet Management Solution through homegrown Fleet Edge brand to enhance the connected mobility experience.

Being committed to holistic sustainability & net zero carbon emission goals, Tata Motors set the direction of the Auto industry by showcasing 14 vehicle demonstrators & powertrain at the Auto Expo 2023, organized at Greater Noida. All of these concept vehicles/technology demonstrators were dedicated towards pathways of emission reduction, New & alternative energy along with cutting edge solutions for Connectivity, Safety, Comfort & Convenience. Starbus fuel cell EV, Prima E.55S, Prima H.55S, Signa (28 to 55 T range), Azura (7 to 19T range), Ultra E.9, Magic EV, Prima E.28K and TML revealed Yodha CNG & Intra V20 BiFuel, Prima G.35K, Premium version of Winger, were on the display which have been highly appreciated by all stakeholders ranging from the prospective customers, industry bodies, Govt agencies and competition alike.

Advanced design engineering, further reduction in vehicle out emissions, efficiency improvements CNG/LNG based powertrains, battery electric vehicles, Hydrogen based fuel cell propulsion systems and Internal Combustion engine technologies are an indicator to TML accelerating the adoption of sustainable mobility.

Tata Motors is redefining the ecosystem partnership model in the clean mobility space through shared

portfolio of efforts (towards net zero), de-carbonization expertise and advocacy, and an active projects pipeline. Development of driver assistance features & safety technologies is a focus area considering upcoming regulations.

During FY 2022-23, Tata Motors created new trucking history with the launch of India's first CNG-powered Medium & Heavy Commercial Vehicle (M&HCV) truck. 7 new Intermediate & Light Commercial Vehicles (I&LCV) trucks LPK 610, LPT 709g XD, SK 710, Ultra T.12g, Ultra K.14, LPT 1512g, Ultra T.16 Cx were launched. On Small Commercial Vehicles front, company launched Yodha 2.0, Intra V20 bi-fuel and Intra V50 which are ideal to service the diverse mobility needs of the fast-growing agriculture, poultry and dairy sectors as well as the expanding delivery requirements of FMCG, e-commerce and logistics sectors.

The Company continued to deliver variants of BS6 products across all segments covering diesel, gasoline with up to E10 blend and CNG fuels as per domestic market requirements. Engine design & development releases for compliance to emission certification for identified international markets was in parallel to domestic deliveries.

Some of the key areas where features were added aiming to improve fuel economy, to lower cost of ownership and the footprint of conventional powertrains are - extension of BS6 automotive technology to engines used in industrial and genset applications, proprietary engine oil formulation to double oil change intervals and fuel economy by 1-3%, improved diagnostics of powertrain components through connected vehicle platform technology.

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

- The introduction of the Ace EVs on Indian roads marks a big step forward in the journey towards zero-emission cargo mobility. As a part of technology adaption strategy the company has been executing a long term multi stepped approach i.e. developing solutions for conventional fuels, various blends of Ethanol, Bio Diesel & Bi Fuels, Alternate fuels (CNG/LNG) and a multi-pronged for zero emission in the form of BEVs, Fuel Cell & Hydrogen based internal combustion engine.

- Revisit of engine design & material aspects for compliance to higher ethanol blends; typically beyond E20 (flex fuel technology) and other emerging blends in conventional fuels. New Technology Conceptualization and Demonstration (TCDS) process which is part of the New Technology Planning and Development Systems has been institutionalized for encouraging evaluation of practically implementable technologies leading to value addition and being classified as first-in-world and/or first-in-India categories. Initiation of hydrogen IC engine design and development; a major step towards sustainability and net zero commitment.
- Company has already pioneered driver assistance feature in commercial vehicles by launching ADAS features in Prima & Signa Heavy commercial trucks. Further company has initiated development of enhanced ADAS features across all platforms to improve vehicle & road safety.
- Tata motors is working on development of in-house control software development for electric powertrains, prognostics and high fidelity powertrain plant models for HIL testing.
- As part of its efforts to nurture Industry Academia collaboration, the company is participating in the Govt of India initiated Uccharat Avishkar Yojana(UAY) project with IIT Kharagpur and Indian Institute of Science(IISc), Bangalore through which indigenous technology for battery packs, traction motors and engineering solutions for system integration is being developed. TML is also collaborating with academic institutions like IISc Bangalore and IIT Bombay for indigenous development of power electronics converters, fuel cell accessories, and control algorithm for battery management system and heat exchanger for fuel cell applications.
- In steps towards leveraging its long standing strategic partnership, Tata Motors signed MoU with Cummins for development of next generation, hydrogen propulsion systems. Tata motors is working to indigenize the cutting-edge hydrogen technology to offer its

customers an expanded portfolio of green and future ready commercial vehicles, accelerate the adoption of sustainable mobility in the country, and to contribute towards India's 'net zero' carbon emission goals.

IPR Generation

On the IPR front, during Fiscal 2023, the company filed a record number of 642 IPRs during the period of April 22 to March 23 which include 102 patent applications, 44 design applications, 465 Notarizations, 31 copyright application. The company also got a grant of 27 patents during the same period. 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.

- Continuing its winning streak at IP creation, Tata Motors emerged a winner at the ASSOCHAM (The Associated Chambers of Commerce and Industry of India) 'IP Excellence Awards 2022' under the category of 'Top Patent Driven Industry Award (Large Enterprise) of the Year'.
- Tata Motors won 'Asia IP Elite 2022' award from Intellectual Asset Management (IAM) Tokyo, in recognition of commitment to world-class IP Value creation.
- Best Patent Portfolio, Large (Manufacturing/ Engineering)' from Confederation of Indian Industry (CII).
- IP Excellence Award, 2022' from Questel.

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

- Tata Motors is the market leader in commercial vehicle segment in India due to its continuous & laborious efforts towards Research & Development activities. Major technologies are developed in-house or in collaboration with global technology partners.
- Through focused in-house development of technology, TML is able to offer new technology products at more affordable prices compared to global equivalent products. For example, TML won the electric bus and Electric cars orders from the Govt of India through a global

BOARD'S REPORT

tender in which electric buses and electric cars from TML came out at the lowest cost. Further, the indigenously developed fuel cell buses would be far cheaper than the fuel cell buses available from a handful of global bus manufacturers, if put to production.

- As a result of an exciting product launches & exhibits, Tata Motors commercial vehicle business is seeing continuous growth in terms of sales & market share over last few quarters.
- The Technology Creation & Development Systems (TCDS) process has helped to advance the introduction of new technology integration into the identified products and maintain competitive edge by being the first in Industry, country or the globe; as the case may be.
- The company received a wide acclamation of its efforts across its range of technologies & products through multiple awards and accolades. Few of them are listed below:
 - Company won 7 awards at Apollo CV Awards 23 - CV maker of the Year 2023,
 - CV of the year 2023 - Tata Ace EV, EV (4-wheeler) of the year 2023 - Tata ACE EV, LCV Cargo Carrier of the year 2023 - Tata LPT 709 CNG, HCV Tractor of the year 2023 - Tata Prima 5530.S, MCV Cargo Carrier of the year 2023 - Tata Signa 2818.T CNG, CV Transport Solution 2023 - TML Smart City Mobility Solutions Limited.
 - Company was conferred with a total of 307 awards at the 23rd All India Creativity Summit 2022 organized by Indian National Suggestion Scheme's Association (INSSAN).
 - Tata Motors received 'Level 5 Exemplary' in the CII Total Cost Management (TCM) Maturity Assessment at the 21st edition of CII Cost Congress 2022.
 - Tata Motors won the Golden Peacock Innovative Product/Service Award – 2023 for TATA's 2818 CNG Heavy Commercial Vehicle.

Major technology absorption projects undertaken during the last year includes:

Sr. No.	Technology	Status
1	Performance improvement for EV Powertrain Aggregates	Under development
2	Aggregates/Components for fuel cell technology	Under development
3	Slipper Suspension	Developed
4	Advanced alternator	Developed
5	Fuel economy improvements and connected features using Machine Learning/Reinforcement learning	Under development
6	Development of high efficiency traction systems (e-AXLE and Hub Wheel)	Under development
7	In house battery pack development - Unified Architecture	Under development
8	EGR bypass system for fuel economy improvement	Developed
9	Hydrogen IC engines	Under development
10	Flex fuel engine development	Under development
11	Advanced formulation of lubricating engine oil	Developed

Major technology imports include-

Sr. No.	Technology For	Year of Import	Status
1	Advanced Power Systems Engineering test facility for BS6 and beyond	2019-20	Implemented
2	Technology for virtual validation of engines testing	2020-21	Developed
3	Wireless Technologies for Electrification	FY 22-23	Developed and demonstrated
4	Integrated Power Electronics controller	FY 22-23	In progress
5	Advanced energy storage systems - UOT	FY 22-23	In progress

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

- Company's focus remains on development of extending EV product range, developing flex fuel powertrain, fuel cell EV & Hydrogen ICE with necessary strategic investments for supporting infrastructure. Also, TML is working in a big way to enhance vehicle & occupant safety of its complete product portfolio. Many active safety features are already developed across its all vehicle platforms.
- Some of the forward-looking R&D programs that the Company is concentrating on are-
 - Electrification of vehicle sub - systems/ auxiliaries for electric buses.
 - Development of advanced electric power train architecture suitable for SCV segment.
 - Ways and means to recover waste heat from existent systems & and harness solar energy
 - 5G connectivity & its applications for infotainment, vehicular communication & other areas
 - Alternative, light weight materials for Commercial vehicle applications
 - Use of Artificial Intelligence & Machine Learning for various use cases
- New Technology initiatives such as - Hydrogen IC engine. Flex fuel engine. Design & development for other emerging fuels such as blends of Methanol, LNG, synthetic fuel. Light-weighting and improved strength of components by use of advanced materials for oil sump, connecting rod, crankshaft and catalyst substrate. Fuel economy improvement through liner coating and other measures. Dynamic spark advance in gasoline engine.

Initiatives Towards Digital Product Development Systems: for Road to Lab Approach & Enhanced Productivity

Digital Excellence Through New Technology Adoptions And Digitalization: Enhanced Digital Product Development Systems

Tata Motors has been a leader in Digitalization in Engineering Space in Indian industry and an influencer in this domain in the global auto industry. Enhanced digital product development systems are contributing to design of safe, smart connected vehicles. Achievements through various initiatives are listed below:

- Connected Vehicle & IoT Platform ('CVP') crossed milestone of 4.6 lakhs of Commercial vehicles on boarding in March 2023. Development and release of 200+ core platform features, 100+ end customer features facilitated Tata Motors to remain in the forefront in connected vehicle segment.
- In-house developed Augmented Reality Platform (Arena) is further matured to create NextGen Augmented Experience of Product for customers and Process Insight for product development teams. Technology is implemented in product attribute verification (PAT) for passenger vehicles. Use of AR in design, testing, manufacturing & service, vehicle benchmarking reduces physical work involved in validation thereby improving productivity of product development.
- Introduced use of latest Block chain technology in automotive cybersecurity domain and successfully completed proof-of-concept project to block unauthorized connection to TML Connected Vehicle Platform
- Business process digitalization, automations, KBE applications and use of BOTS contributed to many areas - Productivity Improvement, Business Execution Excellence & facilitating management to execute business anytime, anywhere.
- Product Engineering has embarked on standardizing interfaces between and within modules as part of its modularity initiative and the compliance of these interfaces are coded through rules which are getting digitalized in coming years. This will help faster time to market as well as to improve productivity of the engineer who needs to ensure compliance of interface rules.

Competency Development

- Tata Motors has given many firsts to the mobility world. To continue this journey, TML consistently works to empower employees to achieve their best, based on right set of Learning and Development programs, Professional Development programs

BOARD'S REPORT

and Industry Academic Partnerships. Company is following systematic approach to identify competency requirement, gaps & training needs at organizational level. Specific training and learning paths are being arranged by learning and development team in collaboration with global Ed-tech platforms.

- To align workforce with our sustainability goal, company has initiated systematic learning approach for its employees. It started right from basics of sustainability & awareness about our goal & what it means for every individual. Company is investing heavily to gain and maintain EV share being the leader in the segment. With more and more data inflow, cloud connectivity, cyber security & vehicle network security is being focused across the vehicle platforms like never before.

Future Areas of Focus

Multiple areas of intervention identified as an enabler to our sustainability goals like vehicle life cycle analysis, adaption of clean technology, fleet fuel economy, value chain environment management etc. Our focus will be to continue on improvements & developing powertrains with cleaner fuel options like natural gas, flex fuel, EV & hydrogen ICE. Subsequently making alternate fuel options affordable to masses will be the next step in this journey.

- There is a clear focus on improving & adding various new features to our digital solution fleet edge connectivity application over & above fuel

efficiency, trip management, truck health, safe parking zone, route planning etc.

- Developing the EV strategy for Commercial Vehicle platforms. Modular concept for Electric power train components across all CV EV platforms.
- In house value creation through development of new age vehicle systems & sub systems like high efficiency traction systems (E-axle & Hub wheel). Developing an integrated Electric Vehicle Control Unit EVCU Develop competency for Digital Validation of All EV components through simulation.
- With Digital twin, Customizable, parameterized Battery model will be available with TML, which predicts battery performance degradation with age and Remaining Useful Life Algorithms for battery internal resistance & capacitance estimations will be also ready to extend to programs. Battery cell and pack level fault predictions and prognostics will be used to improve fleet data analytics.
- Process to improve competency enhancement in identified areas of powertrain, core vehicle systems, material technology, digitalization & Softwarization, will continue.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings and Outgo in FY 2022-23		(₹ in crore)
Earning in Foreign Currency		2,979.25
Expenditure in Foreign Currency		1,297.57

ANNEXURE - 4

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

(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 March 31, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2023 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 and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (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, 2021 and amendments from time to time; (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)

BOARD'S REPORT

(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.

We report that the managerial remuneration paid during the year is subject to approval of the shareholders pursuant to the provisions of section 196, 197 read with Schedule V of the Act.

We further report that:

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice for which necessary consents have been sought at the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

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

We further report that the Company is required, in terms of Regulation 23(4) of The Securities and Exchange Board

India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to obtain the approval of shareholders for the transactions with fiat India Automobiles Private Limited, Which has become material related party transactions for the year March 31, 2023 and the Company proposes to take approval of the shareholders at the forthcoming AGM.

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. Tata Passenger Electric Mobility Limited ('TPEML'), a wholly owned subsidiary of the Company acquired Ford India Private Limited's manufacturing plant situated at Sanand, Gujarat, for a total consideration, exclusive of taxes, of ₹725.7 crore.
2. Tata Technologies Limited, a subsidiary of the Company, had filed a draft red herring prospectus dated March 9, 2023 with the Securities and Exchange Board of India for an initial public offering by way of an offer for sale of up to 95,708,984 equity shares for cash, representing approximately 23.60% of its paid-up share capital.
3. The Company has in aggregate allotted 6,82,318 Ordinary shares of Rs. 2/- each under Tata Motors Limited Employees Stock Option Scheme 2018. Also, during the financial year 659,186 Performance Share Units were granted to the eligible employees under Tata Motors Limited Share-based Long Term Incentive Scheme 2021.
4. The Company had completed the procedural requirements mentioned under the Share Purchase Agreement executed between Marcopolo S.A, Joint Venture Partner, Tata Marcopolo Motors Limited ('TMML') and the Company for acquiring the entire shareholding in TMML held by Marcopolo SA. Consequently, TMML became a wholly owned subsidiary of the Company.
5. The Company delisted its American Depositary Shares from the New York Stock Exchange and termination of its American Depositary Share program. However, the Company will continue to be subject to the reporting obligations under the U.S Securities Exchange Act of 1934 until such time as it can terminate its registration under the Exchange Act.
6. The Company executed the Securities Subscription Agreement (the "SSA") with TPG Rise Climate TopGun Pte. Ltd. ("TPG"), a private equity fund, for investment

aggregating to ₹7,500/- crore in the compulsory convertible instruments to secure between 11% to 15% stake in TPEML. Two Tranches amounting to ₹3,750/- crore each were subscribed by TPG on March 30, 2022 and January 31, 2023, respectively.

7. The Company has redeemed non-convertible debentures aggregating to ₹900 crore.

8. The Company has issued commercial paper aggregating to ₹1100 crore and redeemed commercial paper aggregating to ₹2000 crore.

For **Parikh & Associates**
Company Secretaries

P. N. Parikh

Partner

FCS No: 327 CP No: 1228

UDIN: F000327E000294071

PR No.: 1129/2021

Place: Mumbai

Date: May 12, 2023

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

BOARD'S REPORT

'Annexure A'

To,
The Members
Tata Motors Limited

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

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

For **Parikh & Associates**
Company Secretaries

P. N. Parikh
Partner

FCS No: 327 CP No: 1228
UDIN: F000327E000294071
PR No.: 1129/2021

Place: Mumbai
Date: : May 12, 2023

Business Responsibility and Sustainability Report (BRSR)

Section A: General Disclosures

I. DETAILS OF THE LISTED ENTITY

1. Corporate Identity Number (CIN):	L28920MHI945PLC004520
2. Name of the Listed Entity:	Tata Motors Limited
3. Year of Incorporation:	1945
4. Registered Office Address:	Bombay House, 24, Homi Mody Street, Mumbai, Maharashtra- 400001, India
5. Corporate Address:	Bombay House, 24, Homi Mody Street, Mumbai, Maharashtra- 400001, India
6. E-mail:	inv_rel@tatamotors.com
7. Telephone:	+91 22 66658282
8. Website:	https://www.tatamotors.com/
9. Financial year for which reporting is being done:	2022-23
10. Paid-up Capital:	₹ 7,66,01,71,947
11. Name of the Stock Exchange(s) where shares are listed:	BSE Limited and National Stock Exchange of India Limited
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Mr. Jyotindran Sastabhavan Kutty - Chief Sustainability Officer Telephone: +91 20 6613 2781 E-mail address: kutty@tatamotors.com
13. Reporting boundary:	Report is done on a standalone basis

II. Products / services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of turnover
1.	Automobile Manufacturing	Motor Vehicles, Trailers, Semi Trailers, and other transport vehicles	84.55%

15. Products / Services sold by the entity (accounting for 90% of the entity's turnover):

Sr. No.	Product / Service	NIC Code	% of total turnover contributed
1.	Vehicles	291, 292, 293	84.55
2.	Spare parts	453	11.11

III. Operations

16. Number of locations where plants and / or operations / offices of the entity are situated:

Locations	Number of plants	Number of offices	Total
National	7*	31 (includes 8 Common offices)	36
International	0	2 (Bangladesh & Dubai)	2

*The Company's manufacturing locations in India are situated at Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), and Dharwad (Karnataka).

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

17. Markets served by the entity:

a) Number of locations:

Locations	Number
National (no. of states)	Pan-India
International (no. of countries)	125

b) What is the contribution of exports as a percentage of the total turnover of the entity?

4.58%

c) A brief on types of customers:

The Companies Commercial Vehicles ('CV') caters to a diverse range of customers with varying needs and requirements. Customers include - fleet owners, transporters, government agencies, small and medium enterprises (SMEs), agriculture and rural segment, construction industry etc.

IV. Employees

18. Details as at the end of financial year:

a) Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	8901	8290	93	611	7
2.	Other than Permanent (E)	360	288	80	72	20
3.	Total employees (D + E)	9261	8578	93	683	7
WORKERS						
4.	Permanent (F)	11876	11656	98	220	2
5.	Other than Permanent (G)	16964	14957	88	2007	12
6.	Total workers (F + G)	28840	26613	92	2227	8

b) Differently abled employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	12	12	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D+E)	12	12	100	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	56	56	100	0	0
5.	Other than Permanent(G)	0	0	0	0	0
6.	Total differently abled workers (F+G)	56	56	100	0	0

19. Participation / Inclusion / Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9 [*]	2	20.22
Key Management Personnel	2 ^{**}	0	0

*Mr. Thierry Bollere' ceased to be Non-Executive Non-Independent Director of the Company w.e.f. December 31, 2022.

** excludes Executive Director as already covered under Board of Directors.

20. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2022- 23			FY 2021- 22			FY 2020- 21		
	Male(%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
Permanent Employees	6.90	16.90	7.91	7.50	21.40	8.44	6.50	10.40	6.78
Permanent Workers	0.20	0.50	2.22	0.50	0.50	0.50	3.90	1.00	3.78

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

21. Names of holding / subsidiary / associate companies / joint ventures:

The Company has 88 subsidiaries (15 direct and 73 indirect), 11 associate companies, 4 joint ventures and 2 joint operations as at March 31, 2023, as disclosed in the Integrated Annual Report of FY 2022-23.

The Company positively influences and encourages its subsidiaries to adopt business responsibility 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 also addresses key business responsibility issues like Quality and Customer Value, Corruption and Bribery, Health and Safety, Environment, Human Rights and Employee well-being.

VI. CSR Details

		(₹ in crore)
22. I.	Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
II.	Turnover:	65,009.35
III.	Net worth:	21,200.27
IV.	Total amount spent on CSR for FY 2022-23:	20.81

VII. Transparency and Disclosures Compliances

23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place If Yes, then provide web-link for grievance redress policy	FY 2022-23			FY 2021-22		
		Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks	Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks
Communities	TML has not instituted a dedicated structure for a formal local community grievance, however the CSR vehicle partially addresses the question by formalising a community feedback mechanism across all its CSR projects and any aggrieved individual/ groups can express their grievances through this annual exercise or on as and when required basis	NIL	NIL	NIL	NIL	NIL	NIL

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place	FY 2022-23			FY 2021-22		
	If Yes, then provide web-link for grievance redress policy	Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks	Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks
Investors (other than shareholders) - Debentures	Yes, https://www.tatamotors.com/investors/investor-contacts/	NIL	NIL	NIL	NIL	NIL	NIL
Shareholders	Yes, the shareholders can register their grievances at https://scores.gov.in/scores/Welcome.html	86	NIL	NIL	40	1	One pending case was closed subsequently
Employees and Workers	Yes* https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf https://www.tata.com/content/dam/tata/pdf/Tata%20Code%20Of%20Conduct.pdf ethicsoffice@tatamotors.com	82	29	We are currently in process of evaluating the pending complaints. Appropriate action will be taken in case any one is found guilty	48	12	Tata Code of Conduct concerns and POSH cases
Customers	Yes, stakeholders can raise their grievances through ethicsoffice@tatamotors.com	9	2		8	1	NIL
Value Chain Partners		10	2		9	2	NIL
Others (anonymous cases, contractual employees, former employees, other third parties)	https://www.tata.com/content/dam/tata/pdf/Tata%20Code%20Of%20Conduct.pdf	52	12		56	13	NIL

*The complaints received under Tata Code of Conduct includes complaints received from Tata Motors Passenger Vehicles Limited, a Wholly Owned Subsidiary.

24. Overview of the entity’s material responsible business conduct issues: Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

Please refer to Materiality Assessment and Risk management section in Integrated Annual Report of FY 2022-23.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1 a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies	https://www.tatamotors.com/investors/corporate-governance/policies/ https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.pdf 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://www.tatamotors.com/wp-content/uploads/2020/05/29134505/affirmative-action-policy.jpg https://investors.tatamotors.com/pdf/anti-bribery-anti-corruption-policy.pdf								
2 Whether the entity has translated the policy into procedures.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3 Do the enlisted policies extend to your value chain partners?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4 Name of the national and international codes / certifications / labels / standards adopted by your entity and mapped to each principle	The Environmental Policy, Safety & Health policy and Quality policy are aligned with the requirements of international standards ISO 14001, ISO 45001 and IATF 16949. The Company follows GRI Standards to disclose on its material topics in the Integrated Report, which is also mapped against principles of United Nations Global Compact ('UNGC') and Sustainable Development Goals ('SDGs'). The Company voluntarily discloses to Carbon Disclosure Project (CDP) on Climate Change, S&P Global Corporate Sustainability Assessment (CSA) and is committed to Science Based Targets initiative (SBTi).								
5 Specific commitments, goals and targets set by the entity with defined timelines	The Company has set internal goals and targets on each of the principles with a few listed below. In line with Principle 6, following commitments have been made by the Company: <ol style="list-style-type: none"> (i) Driving Net Zero - The Company is committed to achieving Net Zero Emissions by 2040 for Passenger Vehicles Business and 2045 for Commercial Vehicles Business and has also committed to setting Science Based Targets to act as intermediate milestones in this journey. (ii) Pioneering Circular Economy - The Company already has strong foundations in its operations around responsible use of fresh water aiming for water neutrality by 2030 and disposal of waste, aiming for Zero Waste to Landfill by 2030. (iii) Preserving Nature and Biodiversity - While the Company has a rich legacy of creating water body-based ecosystems around its plants which nurture a wide variety of flora and fauna, the Company intend to take this forward with a more scientific approach and aspire to become a catalyst of Transformation on this subject. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met:	Performance on goals on each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors. A few of them detailed below: <ol style="list-style-type: none"> 1. Improvement in RE share in total electricity consumption for all our CV Operations - 17.7% in FY 2021-22 to 23.5% in FY 2022-23 2. Our manufacturing facility in Lucknow has been certified as "Water Positive" & facility in Pantnagar has been certified "Water Neutral" by CII-GBC in FY23 								

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).	Please refer Message of the Executive Directors in Integrated Annual Report of FY 2022-23								
8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy (ies):	Mr. Girish Wagh (DIN: 03119361) Designation: Executive Director Telephone: 022-66657609 E-mail id: girish.wagh@tatamotors.com								
9. Does the entity have a specified committee of the board / director responsible for decision making on sustainability related issues? If Yes, provide details.	The Safety, Health and Sustainability ('SHS') Committee reviews the Company's performance on SHS aspects, including Environment Social & and Governance and oversees the implementation of relevant policies and strategies. The Corporate Social Responsibility ('CSR') Committee formulates and recommends the CSR policy to the Board and monitors CSR budget, activities and expenditure.								

10 Details of Review of NGRBCs by the Company.

Subject for review	Indicate whether review was undertaken by director / committee of the board / any other committee										Frequency (annually / half yearly / quarterly / any other)									
	P 1		P 2		P 3		P 4		P 5		P 6		P 7		P 8		P 9			
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9		
a Performance against above policies and follow up action	The Company follows a systematic, multi-tiered approach to review the Safety, Health & Sustainability ('SHS') performance. The Factory Implementation Committee is the first level (monthly), followed by plant level Apex Committee/Sub-Committee (monthly) followed by Business Unit ('BU') Safety & Health Council and Sustainability Council (monthly) and finally by the SHS Committee of the Board (3 to 4 times in a year).																			
b Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with the statutory requirements as applicable.																			

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? If Yes, provide name of the agency.	The implementation of TCoC and other policies are reviewed through internal audit function/ Ethics Counsellor. External assessment through the Tata Business Excellence Model ('TBEM') reviews the implementation of all the Company policies. Any opportunities for improvement are addressed through implementation of TBEM action plan. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process.								

12 If principles not covered by a policy, provide reasons for the same.

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
A The entity does not consider the Principles material to its business	NA	NA	NA	NA	NA	NA	NA	NA	NA
B The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
C The entity does not have the financial or / human and technical resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
D The entity does not have the financial or / human and technical resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
E Any other reason	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors ('BoD')	During the year, the Board of Directors of the Company (including the Committees) has invested time on various matters relating to an array of issues viz., business, regulations, economy, environment, social and governance parameters.		100
Key Managerial Personnel ('KMP')	The Company has adopted the Tata Code of Conduct (TCoC), and KMPs are required to undertake training on TCoC periodically and certify that they have not violated TCoC		100
Employees other than BoD and KMPs	Our employees received training on TCoC, POSH and other topics including employee well-being, health & safety, product sustainability etc.		100
Workers	Our workers received training on TCoC, POSH and other topics including employee well-being, health & safety, product sustainability etc.		100

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30F SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred?
Monetary	NIL	NIL	NIL	NIL	NIL
Penalty / Fine	NIL	NIL	NIL	NIL*	NIL*
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL
Non-Monetary	NIL	NIL	NIL	NIL	NIL
Imprisonment	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

*In 2014, the Competition Commission of India ('CCI') held that the automobile manufacturers, including the Company, had engaged in anti-competitive practices and imposed a penalty of 2% of the Company's total turnover in India. The Company was ordered to pay a penalty of ₹ 1,346 crore within a period of 60 days of the receipt of the order. The Company challenged the order of the CCI in the Delhi High Court on constitutional issues.

3. Of the instances disclosed in question 2 above, details of the appeal / revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
Not applicable, since there were no cases pending during the year where monetary and non-monetary action has been appealed.	

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

4. Does the entity have an anti-corruption or anti-bribery policy? If Yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has adopted the Tata Code of Conduct and is committed to act professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and to implement and enforce adequate procedures to counter bribery and corruption. In June 2022, the Company launched the Anti-Bribery and Anti-Corruption Policy ('ABAC Policy') to outline guiding principles and adequate procedures to prevent any activity or conduct relating to bribery, facilitation payments, or corruption. The policy is available at the Company's website at: <https://investors.tatamotors.com/pdf/anti-bribery-anti-corruption-policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

No disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption against any of the Directors/KMPs/employees/workers of the Company.

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	N.A.	Nil	N.A.
Number of complaints re-ceived in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

No fines / penalties / actions were imposed by regulators/ law enforcement agencies or judicial institutions on cases related to corruption and conflicts of interest.

Leadership Indicators

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? If Yes, provide details of the same.

Yes, we do have a process in place which is governed by the "Tata Code of Conduct for Non-Executive Directors and Independent Directors" of Tata Motors. Web link to the same is: <https://investors.tatamotors.com/pdf/ned-id.pdf>

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23 (%)	FY 2021-22 (%)	Details of improvements in environmental and social impacts
R&D	67	62	Please refer to the Technology Absorption, Adaptation and Innovation in Annexure-3 of the Board's report.
Capex	68	65	

- Does the entity have procedures in place for sustainable sourcing? If Yes, what percentage of inputs were sourced sustainably?

Yes, the Company has formulated the Environmental Procurement Policy and Sustainability Policy to engage with its value chain partners on sustainability. The Company continues to work with its suppliers to ensure sustainable sourcing and launched a Sustainable Supply Chain Initiative in FY2017. Through this initiative the Company aimed to firstly create awareness on the subject and then partner with them for driving improvement. 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.

<https://investors.tatamotors.com/pdf/Enviro-Procurement-Policy.pdf>

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.

Products post-consumer waste:

As a part end-of-life product management, we are continuously working on improving our product's circularity. It involves designing the vehicle for recyclability, selection of sustainable materials by studying its environmental impact, designing vehicle assemblies / components that are easy to dismantle and providing information for the same in our products, etc. Design for recycling approach complements our initiative on circular economy which aims to minimize waste and reduce the negative impact.

At the end of the product lifecycle, scrapping and recycling of vehicles in a responsible way supports environmental goals. Tata Motors demonstrated its holistic commitment towards sustainable mobility with the launch of "Re.Wi.Re – Recycle with Respect" to facilitate the safe recycling of End-of-life Vehicles(ELV). Our first state-of-the-art franchise based Registered Vehicle Scrapping Facility (RVSF) commenced operations at Jaipur, Rajasthan. Launched in February 2023, we are planning to open many more such facilities across India in future. This move will lessen the pollution involved in the dismantling of ELVs and bring this activity within the organized sector.

Operations:

Our manufacturing operations generate various types of wastes which are covered under various National regulations. All our Plants ensure that the management of such wastes is done in full compliance of these legal requirements as specified by the operating permits, consents, and authorizations. Our manufacturing operations receive a large and diverse number of parts, components, and consumables in various forms of packaging which are discarded. These are segregated as per material type and shape and sold to re-cyclers for conversion and utilization. Specifically – we ensure the sale of all flexible and rigid plastic packaging to authorized plastic waste processors for re-cycling and utilization in manufacture of new packaging material. Hazardous and Other Waste are similarly routed to authorized re-cyclers or re-processors for material recovery or to co-processing for energy recovery through cement plants. We also ensure safe disposal of specific hazardous wastes as mandated in operating Consent/Authorizations, through Government authorized Treatment Storage and Disposal Facilities. E-wastes from our Operations comprising of electronic devices, their components and IT assets which are discarded after their useful life or due to obsolescence is disposed only to authorized re-cyclers. Where technically feasible, we are utilizing the recovered material such as reclaimed thinner, secondary paint made from paint sludge or sand from our foundries in our own manufacturing operations or in our supply

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chain. Going forward, our efforts will be more focused and continue in this direction, guided by our internal Circularity framework to achieve status of 'Zero Waste to Landfill'.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities. If Yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, the EPR provisions under The Plastic Waste Management & Handling Rules, 2016 (as amended) are applicable. We are registered as a "Brand Owner" and as an "Importer" with the CPCB and have complied with the requirements of the Registration for the concluded year 2022-23. The Company have set up internal systems to track and ensure compliance on a running basis, for current year 2023-24 and beyond.

Legal compliance of our EPR target for FY 2022-23 has been ensured by the procurement of re-cycling certificates through a third party. Going forward, we will continue to fulfil our EPR targets through this route using the established systems for collection, transportation and the re-cycling of post-consumer plastic packaging waste. In the case of The Battery Waste Management Rules-2022, Company is Registered as a 'Producer' with the CPCB, and is working towards meeting the necessary requirements going forward.

Leadership Indicators

1. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.**

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	1,230	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

(Plastic used for protecting or Packaging parts of the vehicles sold & Packaging used in Spare parts business)

2. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic used for protecting or Packaging parts of the vehicles sold & Packaging used in Spare parts business	The Company recycled 1230 MT of plastic as a part of its EPR compliance under the Plastic Waste Management Rules, 2016
a. Total number of CV engines remanufactured during FY 2022-23: 25807 no's	
b. Total number of Clutch plate & Clutch disc remanufactured during FY 2022-23: 33975 no's	
The data has been expressed as numbers as the 'end-of-life' parts have come from legacy vehicles sold in previous years.	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	8290	8290	100	8290	100	0	0	8290	100	8290	100
Female	611	611	100	611	100	611	100	0	0	611	100
Total	8901	8901	100	8901	100	611	7	8290	93	8901	100
Other than Permanent employees											
Male	288	288	100	288	100	0	0	288	100	288	100
Female	72	72	100	72	100	72	100	0	0	72	100
Total	360	360	100	360	100	72	20	288	80	360	100

1b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	11656	11656	100	11656	100	0	0	11656	100	11656	100
Female	220	220	100	220	100	220	100	0	0	220	100
Total	11876	11876	100	11876	100	220	2	11656	98	11876	100
Other than Permanent workers											
Male	14957	14957	100	14957	100	0	0	14957	100	14957	100
Female	2007	2007	100	2007	100	2007	100	0	0	2007	100
Total	16964	16964	100	16964	100	2007	12	14957	88	16964	100

2. Details of retirement benefits, for current financial year and previous financial year:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
Employee State Insurance (ESI)	100	100	Y	100	100	Y
Others (Please specify)	-	-		-	-	

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

At all of our commercial locations where we own property, we prioritize inclusivity by providing ramps to assist differently abled individuals. In the properties we rent, we strive to ensure accessibility by offering ramps or elevators at the majority of our locations. However, there are a few instances where only steps are available leading to the building. In such cases, we actively engage with the building management team or owner to request the implementation of provisions

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for accessibility. Additionally, all high-rise buildings within our ownership are equipped with elevators to accommodate individuals with mobility challenges.

When it comes to our plants, we maintain a commitment to accessibility by ensuring that the floors are predominantly situated at ground level, allowing for easy access for everyone. In situations where we have building blocks with multiple floors, we make sure that ramps or elevators are available to enable smooth navigation for individuals with disabilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

We provide equal opportunities to all our employees and to all eligible applicants for employment in our company. Tata Motors follows a no discrimination policy and fosters workspaces that promote diversity and equal opportunities. Refer Section D of the Tata Code of conduct. The weblink of the same is: <https://www.tata.com/content/dam/tata/pdf/Tata%20Code%20of%20Conduct.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Return to work rate	Retention rate
Permanent employees		
Male	100	98
Female	100	98
Total	100	98
Permanent workers		
Male	100	100
Female	100	100
Total	100	100

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If Yes, give details of the mechanism in brief:

	If Yes, then give details of the mechanism in brief
Permanent Workers	<p>The Company has adopted the Tata Code of Conduct that outlines commitment to ethical conduct. All internal and external stakeholders of the Tata Group are expected to work within boundaries of the TCoC. Training and awareness on TCoC is provided to employees and relevant stakeholders from time to time.</p> <p>The Company also has a Whistle Blower Mechanism, which is governed by the Whistle Blower Policy. The Company has governance mechanism in place to ensure confidentiality and protection of whistle blower from any harassment/victimization 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 blowers right to continue to perform his duties/functions including making of any further protected disclosure.</p>
Other than Permanent Workers	

	If Yes, then give details of the mechanism in brief
Permanent Employees	<p>The Chairperson of the Audit Committee and the Chief Ethics Counsellor of the Company have an oversight on the functioning of the Whistle Blower Policy and mechanism.</p> <p>The Company has an ethics helpline where employees can place anonymous complaints of alleged ethics violations. The ethics helpline can be reached in the following ways:</p> <ol style="list-style-type: none"> 1. A Whistle-blower can report his / her ethical concerns by either calling on toll free number - 000 800 0502 221 or by accessing the web portal at 'tatamotors.ethicspoint.com'. Concern can be submitted in multiple languages. 2. Written application: <p>Concerns can also be reported in writing to Chief Ethics Counsellor or Chairman of the Audit Committee.</p> <p>In line with our commitment towards Gender Inclusion and Diversity, and creating a safe, fair and just workplace, Company has the Prevention of Sexual Harassment at Workplace (POSH) Policy. The Prevention of Sexual Harassment at Workplace (POSH) set up includes various Internal Committees (IC). In addition, an APEX Internal Committee acts as an Appellate Body and is responsible for disseminating this policy. We have formulated standard guidelines to address the issue of sexual harassment at the workplace. These guidelines are administered by the Location /sub-unit specific committees at local (Plant/Regions) level. All the women associates (permanent, temporary, contractual and trainees), woman service providers as well as any woman visiting the Company's workplace are covered under this policy. Any kind of objectionable conduct is subject to disciplinary actions.</p>
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or unions recognized by the listed entity:**

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category	No. of employees / workers in respective category, who are part of association(s) or Union(D)	% (D/C)
Total Permanent Employees						
Male	Permanent white collar employees are not part of trade association(s) or union.					
Female						
Total Permanent Workers	11876	11786	99.2	100% of permanent workers at plants except Dharwad have a trade union and are part of workers association recognized by the Management.		
Male	11656	11566	99.2			
Female	220	220	100			

8. **Details of training given to employees and workers:**

	FY 2022-23				FY 2021-22					
	Total (A)	Health and safety measures		Skill upgradation		Total (A)	Health and safety measures		Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees		313365 hours of training on Health and safety measures imparted through 2758 training sessions organized for employees.		342368 hours of training imparted *			256708 hours of training on Health and safety measures imparted through 2407 training sessions organized for employees.		4,06,502 hours of training imparted *	
Male	8578					8469				
Female	683					666				
Total	9261					9135				

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	FY 2022-23					FY 2021-22				
	Total (A)	Health and safety measures		Skill upgradation		Total (A)	Health and safety measures		Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
Workers		215406 hours of training on Health and safety measures imparted through 4776 training sessions organized for workers.		2391726 hours of training imparted			160460 hours of training on Health and safety measures imparted through 3748 training sessions organized for workers.		16,98,854 hours of training imparted	
Male	26613					20079				
Female	2227					1195				
Total	28840					21274				

* Includes training provided to employees of Tata Motors Passenger Vehicles Limited ('Wholly Owned Subsidiary')

9. Details of performance and career development reviews of employees and worker:

	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	8290	8290	100	8185	8185	100
Female	611	611	100	613	613	100
Total	8901	8901	100	8798	8798	100
Workers						
Male	11656	11656	100	11618	11618	100
Female	220	220	100	199	199	100
Total	11876	11876	100	11817	11817	100

10. Health and safety management system:

- a) **Whether an occupational health and safety management system has been implemented by the entity? If Yes, the coverage such system?**

Yes, Tata Motors believes that the health and safety of its employees is critical to attain business excellence. All our manufacturing sites are ISO 45001 certified and comply with relevant legal requirements ensuring protection of Safety and Health of its employees, Contractors, Visitors, and other relevant stakeholders.

- b) **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Yes, Company has a structured process for Risk Management necessary for preventing injuries & occupational diseases. For all routine activities -Hazard Identification & Risk Assessment (HIRA) is carried out by cross functional team and reviewed regularly with mitigation plan in place. HIRA is referred to prepare Standard Operating Procedure (SOP) which is referred while carrying out the job. For non-routine jobs, Job Safety Analysis (JSA) is carried out and relevant mitigation plan put in place, including issuance of permit, barrication of activities area etc.

- c) **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks?**

Yes, employees are encouraged to report all incidents, Safety Observations and Near misses on a Digital platform. Processes like Action Employee Can Take (AECT), Near Miss Reporting, Self-Directed Team (SDT) safety point leaders programs, Medical Check-up, Safety Committee are few processes where workers can report the work, which helps in mitigating hazards and reducing risks.

- d) **Do the employees / worker of the entity have access to non-occupational medical and healthcare services?**

Yes, All plants have Medical Centres equipped and manned for management of non-occupational medical conditions. Further all employees are covered under health insurance, statutory health insurance or ESIC as per eligibility for non-occupational medical and healthcare services.

11. Details of safety related incidents:

Safety Incident / Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.14	0.2
	Workers	0.15	0.27
Total recordable work-related injuries	Employees	63	73
	Workers	18	21
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Tata Motors has a robust governance mechanism for occupational safety & health where reviews are undertaken at multiple levels. The Safety, Health and Sustainability (SHS) Committee of Board of Directors is an apex review body, which reviews performance once in four months, followed by business unit head led Safety & Health Council which reviews performance every month. Further reviews at factory level are taken by Apex Committee, various Sub-committees for Safety Standards and then the Factory Implementation Committees (FIC). Also for non-manufacturing areas, focused safety reviews are conducted at defined frequency at regional offices with the Customer Service and Warehouse teams.

Below measures are taken to ensure safety & health in TML operations:

- Critical to Safety Stations (CTS): TML has recognized CTS stations across plant locations, creating a focused approach towards stations having higher injury potential. Over the last year, a total of 801 CTS stations were worked upon. This exercise placed special attention to risk mitigation, leading to 65.44% reduction in incidents at CTS stations over the year.
- Safety Kaizen: To facilitate a deep dive into the safety issues, 72 Safety Kaizens were held across locations on themes such as working in line of fire, driving safety, PPE compliance, material handling etc.
- Long Term Settlement: Safety-linked payment system based on both Lead and Lag Safety Parameters introduced in manufacturing locations for permanent technicians.
- Safety Observations: A six step process is being implemented by 3500+ White Collar Employee on a weekly basis which helps to identify safe and unsafe acts and situations and help increasing interactions/ coaching opportunity with shop floor employees.
- Actions Employees Can Take: Under the AECT programme (Actions Employee Can Take), workers report unsafe acts and situations in their respective areas. These observations are assessed by supervisors and relevant corrective actions are implemented.
- Training and awareness across organization is considered as a key element of the Safety Strategy. Managers & workers are trained on Safety management aspects such as Safety Management Fundamentals, Incident Investigation, Contractor Safety Management, Actions Employees Can Take (AECT) etc.

13. Number of Complaints on the following made by employees and workers:

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health and Safety	2	1	NIL	2	NIL	NIL

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14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
	FY 2022-23	FY 2021-22
Health and safety practices	100%	100%
Working Conditions	100%	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

- All safety related incidents are investigated thoroughly as per TML incident investigation standard. Learnings from incidents are shared across organization for horizontal deployment & prevent recurrence. Key recommendations are communicated through process of red/blue corner notices & deployment is confirmed with evidence. Recommendation closure effectiveness is also checked by various audits.
- All unsafe acts & conditions identified during safety observations are closed with corrective actions within stipulated time. Effectiveness check on closure actions is confirmed through sample audits.
- Significant risks which were detected through Hazard identification & risk assessment process is managed through applying appropriate S1 (People), S2 (engineering/ technological intervention) & S3 (Failsafe/ hazard elimination) safety controls. In addition, additional measures like safety training, supervision & use of appropriate PPEs are also deployed to enhance safety.

Leadership Indicators

1. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

For Downstream Value Chain: Our Channel Partners are required to ensure legal compliance as per provisions in the Channel Partner agreement. Tracking compliance through GSTIN portal, Invoice Running Number (IRN) control and e-way bills control are some of the processes used to ensure compliance.

2. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	FY 2022-23	FY 2021-22
Total no. of affected employees / workers	NIL	2
Employees	Nil	Nil
Workers	Nil	2
No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	NIL	1
Employees	Nil	Nil
Workers	Nil	1

3. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	Downstream Channel Partners	100%
Working Conditions	Downstream Channel Partners	100%

4. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

For Downstream value chain, following best practices have been initiated:

- Defensive Driver training across all locations. Only Authorized Drivers are allowed to drive inside the workshop.
- Under Model Workshop program daily Work Management (DWM) initiated and safety committee started functioning. Safety champions developed at workshops to ensure implementation of safety practices.
- A monthly safety audit conducted, and action were taken to close the gaps.
- Identification & sharing of best safety practices across value chain.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Internal and external stakeholders have been identified that have a direct impact on the operations and working of the Company. This includes Investors & Shareholders, Employees, Customers, Communities, Suppliers/service providers, Regulators/Government, Dealers & Service centers, Experts/Academic & Research institutions, Media. For more details, refer to the Stakeholder Engagement section of the Integrated Annual Report 2022-23.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable and marginalized group	Channels of communication	Frequency of engagement (annually / half yearly / quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1 Investors & Shareholders	No	Investor meets, investor calls, press releases and mail updates, email support for investor queries	Quarterly engagement post results. Annual engagement at AGM. Investor meetings on request	Timely business updates and updates on material events, enhancing level of disclosures, compliances.
2 Employees	No	Team touch point, skip level meetings, quarterly town hall, accolades – rewards & recognition platform, culture survey and pulse survey, round table with senior leadership, ask me anything forums, self-directed teams	Regular engagement	Build strong employee engagement, Recognition and Rewards, building strong organisational culture, leadership development, ccess capability, union engagement
3 Customers	No	Customer meets, feedback calls, home visits	Feedback is collected regularly post customer visit to workshop. Customer meets and home visits are planned activity and being monitored on monthly basis.	Product and service-related issues
4 Regulators/ Government	No	Strategic representation and meetings with government agencies, Representation through trade bodies	Regular engagement	Obtaining permissions / licenses / clarifications/ waivers /business development approvals/vendor and logistical support /recoveries as per group requirement

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	Stakeholder Group	Whether identified as vulnerable and marginalized group	Channels of communication	Frequency of engagement (annually / half yearly / quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
5	Communities	Yes	Awareness building through people friendly engagement tools like street plays and folk songs; Community meetings matching the routines and availability of the beneficiaries; Recognition and felicitation through interaction with the board members, senior leadership, Emergency/ Disaster relief activities. Example, COVID-19 relief; Celebration and participation in local community events	Regular engagement	Malnutrition and other health issues, Education-related: Addressing gaps in learning levels; skilling; increasing employability, even for school dropouts; Spreading environmental awareness and facilitating plantation; Providing disaster relief
6	Suppliers/service providers	No	Early vendor involvement in product design and development; Structured engagement through annual supplier conference, zonal meets and supplier council meets; Periodic interactions to drive ongoing product improvements; Supplier technology days to understand and align supplier technologies that can be deployed in Tata Motors products. Annual performance review of ESG parameters. Need based category buyer engagement with suppliers. Focused engagement with suppliers from Affirmative Action community.	Periodic (structured) and Need-based	Key topics discussed include product improvements, technologies, additional demand fulfilment for semiconductors due to global demand supply deficit; commodity price inflation, ESG performance, and any other topic/concern specific to a particular supplier.
7	Dealers & service centres	No	Dealer meetings, visits, audits, dealer council, joint programmes & sustainability initiatives.	Regular engagement	Ordering complexity and turnaround time, reduction in inventory cost, timely settlement of claims, and timely support from insurance surveyors.
8	Experts/Academic and Research Institutions	No	Collaborative need-based engagements on mutually beneficial projects, Case-based meetings	Need basis	Consistency and Maturity of process and associated protocol, of collaborating institutions; Ensuring technical, managerial and leadership alignment with customer requirement and regulatory needs

Stakeholder Group	Whether identified as vulnerable and marginalized group	Channels of communication	Frequency of engagement (annually / half yearly / quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
9 Media	No	<ul style="list-style-type: none"> Press releases Media Interviews, Authored articles, Quotes in industry stories Participation in media led industry forums as thought leader / guest speaker Content reused/reproduced by media basis what is published on proprietary digital assets 	<ul style="list-style-type: none"> Company and its business-related announcements supported with news releases and media interactions – As and when required Sales Releases – Monthly Global Sales Releases – Quarterly Financial Results – Quarterly Speaking on media led platforms – as and when required 	Need for consistent internal and external communication to amplify key identified themes/storylines that portray the company and its business' future readiness, leadership, talent and culture, customer centricity, contribution to nation and community

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Directors occasionally visit the manufacturing plants and interact with the stakeholders on health and safety matters. The feedback is shared with the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Materiality assessment helps to define the environmental, social and governance (ESG) areas that matter the most to our business and our stakeholders. We engage with internal and external stakeholders and identify material issues that impact our ability to create value.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.

The Company's Affirmative Action (AA) Policy is specially designed to address the socially disadvantaged sections of the society i.e. Scheduled Castes and Tribes (SC and ST). 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 Tata Business Excellence Model (TBEM).

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	8901			8798		
Other than permanent	360			337		
Total Employees	9261	Majority of our employees and workers received training on Tata Code of Conduct which covers aspects of human rights		9135	Majority of our employees and workers received training on Tata Code of Conduct which covers aspects of human rights	
Workers						
Permanent	11876			11817		
Other than permanent	16964			9457		
Total Workers	28840			21274		

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2. Details of minimum wages paid to employees and workers:

	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage (B)	% (B/A)	More than Minimum Wage (C)	% (C/A)	Total (A)	Equal to Minimum Wage (B)	% (B/A)	More than Minimum Wage ©	% (C/A)
Employees										
Permanent										
Male	8290	-	-	8290	100	8185	-	-	8185	100
Female	611	-	-	611	100	613	-	-	613	100
Other than Permanent										
Male	288	-	-	288	100	284	-	-	284	100
Female	72	-	-	72	100	53	-	-	53	100
Workers										
Permanent										
Male	288	-	-	288	100	284	-	-	284	100
Female	72	-	-	72	100	53	-	-	53	100
Other than Permanent										
Male	10061	2324	23	7737	77	8461	4010	47	4451	53
Female	628	52	8	576	92	996	352	35	644	65

3. Details of remuneration / salary / wages:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	6	105.20	2	109.40
Key Managerial Person-nel (KMP)	2*	724.70	0	0
Employees other than BoD and KMP	8286	15.16	611	12.07
Workers	11656	9.17	220	7.38

* excludes Executive Director who is also a KMP and included under BoD.

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

The Company has no specific Policy on Human Rights. However, all our Human Resource Policies and initiatives, directly or indirectly or indirectly, promote preservation and promotion of Human Rights.

The Company 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.

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

1. A Whistleblower can report his / her ethical concerns by either calling on toll free number - 000 800 0502 221 or by accessing the web portal at 'tatamotors.ethicspoint.com'. Concern can be submitted in multiple languages.
2. Written application: Concerns can also be reported in writing to Chief Ethics Counselor or Chairman of the Audit Committee

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Whistle Blower Policy lays down guidelines for reporting of protected disclosures by employees, Directors & other stakeholders, relating to violation of TCoC. The Company 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. The Company also has an ethics helpline where employees can place anonymous complaints of alleged ethics violations.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	11	5	Nil	9	1	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour / In-voluntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- A. In Whistle Blower Policy, the Company has a separate section mentioned on the protection of Whistleblower against 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 Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law.
- B. As part of the Prevention of Sexual Harassment at Workplace (POSH) Policy, the Company has mentioned that the complainant, if the charge is found valid, or the alleged harasser, if found innocent, are protected against any impacts of retaliation.
- C. Also, as part of Tata Code of Conduct (TCoC), the Company does not tolerate any form of retaliation against anyone reporting concerns. Anyone involved in targeting such a person will be subject to disciplinary action.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, Compliance to the Tata Code of conduct is included in the business agreements and contracts / purchase orders. Tata Motors have specific clauses related to human rights as part of the TCoC, Supplier Code of conduct and Dealer Code of conduct.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced / involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Child labour: Our systems and controls are such that anyone below 18 years can't be on boarded on Manpower system. We have tight Gate control that anyone below 18 years is not given gate pass.

Forced/involuntary labour: Salaries of all employees are deposited to employees through bank accounts and no forced labour practice observed.

Wages: Wages are paid basis the market study and with adherence to the statutory compliances.

Leadership Indicators

1. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

At all of our commercial locations where we own property, we prioritize inclusivity by providing ramps to assist differently abled individuals. In the properties we rent, we strive to ensure accessibility by offering ramps or elevators at the majority of our locations. However, there are a few instances where only steps are available leading to the building. In such cases, we actively engage with the building management team or owner to request the implementation of provisions for accessibility. Additionally, all high-rise buildings within our ownership are equipped with elevators to accommodate individuals with mobility challenges.

When it comes to our plants, we maintain a commitment to accessibility by ensuring that the floors are predominantly situated at ground level, allowing for easy access for everyone. In situations where we have building blocks with multiple floors, we make sure that ramps or elevators are available to enable smooth navigation for individuals with disabilities.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) (in GJ)	12,29,475	11,54,988
Total fuel consumption (B) (in GJ)	6,54,171	5,99,495
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C) (in GJ)	18,83,646	17,54,483
Energy intensity per crore rupee of turnover (GJ/ ₹ Cr) (Total energy consumption/ turnover in crore rupees)	28.97	37.59
Energy intensity (GJ/Vehicles produced)	4.61	4.87
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.	Yes, DNV Business Assurance India Private Ltd has assured this data set for Tata Motors India operations which includes CV, PV and EV businesses. The data disclosed here is for Tata Motors standalone (CV business)	

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If Yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken.

Not Applicable.

3. Provide details of the following disclosures related to water:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	53,801	51,662
(ii) Groundwater	5,04,960	4,89,012
(iii) Third party water	28,17,246	19,63,735
(iv) Seawater / desalinated water		
(v) Others	6,49,036	41,6976
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	40,25,043	29,21,385
Total volume of water consumption (in kilolitres)	38,29,298	25,49,050
Water intensity per crore rupee of turnover (kL / ₹ Cr) (Water consumed / turnover)	58.90	54.62
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.	Yes, DNV Business Assurance India Private Ltd has assured this data set for Tata Motors India operations which includes CV, PV and EV businesses. The data disclosed here is for Tata Motors standalone (CV business)	

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If Yes, provide details of its coverage and implementation.

Our India Operations are located in the States of Jharkhand, Uttar Pradesh, Uttarakhand, Gujarat, Maharashtra and Karnataka. The management of treated effluents arising from Plant operation and its disposal are specified in their individual operating Consents issued by the respective State Pollution Control Boards, which our Plants comply with.

In line with respective Consent/Authorisation, some Plants have in place full-fledged tertiary treatment and Reverse Osmosis set-up for re-cycling of treated effluent for re-use in process while some Plants ensure ZLD through re-use of treated effluents for secondary purposes, gardening and maintenance of Green Belts established within the Plant premises and in own Residential Areas.

Going forward, our approach will be holistic and encompass all aspects of sourcing water and its optimal utilisation. Our current efforts at augmenting natural water availability in the regions where we operate will be further enhanced as we intensify our drive to achieve 'Water Positive' status.

5. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	MT	92	247
SOx	MT	26	83
Particulate matter (PM)	MT	577	789
Others – Ozone Depleting Substances (ODS)	kg as CFC-II Equivalent	88	100
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency	Yes, DNV Business Assurance India Private Ltd has assured this data set for Tata Motors India operations which includes CV, PV and EV businesses. The data disclosed here is for Tata Motors standalone (CV business)		

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Break-up	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions	CO ₂	MT	42,200	38,407
Total Scope 2 emissions	CO ₂	MT	1,85,394	1,87,633
Total Scope 1 and Scope 2 emissions per crore rupee of turnover		tCO ₂ / ₹ Cr	3.50	4.84
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.	Yes, DNV Business Assurance India Private Ltd has assured this data set for Tata Motors India operations which includes CV, PV and EV businesses. The data disclosed here is for Tata Motors standalone (CV business)			

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

At Tata Motors, decarbonization in operations will be primarily driven by transitioning to renewable energy sources. Some of the key highlights last year were:

- i) The Company continued to add on-site Renewable Energy (solar) generation capacity in FY 2022-23, which brings the total installed capacity to:
 - 5.8 MWp Roof-top Solar PV installation at Pune (Pimpri);
 - 7.5 MWp Roof-top Solar PV at Jamshedpur;
 - 7.0 MWp Solar PV installation at Pantnagar;
 - 0.435 MWp Solar PV installation at Chinchwad;
 - 4.07 MWp Solar PV installation at Lucknow ;
 - 1 MWp Solar PV installation at Dharwad;
- ii) Energy Conservation (ENCON) projects have been implemented at all Plants and Offices of the Company in a planned and budgeted manner to reduce the consumption of power and subsequently lower our emissions. Some of the major ENCON Projects in FY 2023 include:
 - Jamshedpur Plant: Elimination of Baking Oven operation through Quick Dry Paint implementation in Frame Factory, Operation of Cooling Tower pump motor of CCHF Furnace through VFD in Heat Treatment-Transmission.
 - Pimpri Plant: Energy Saving by Efficiently Managing Air Supply & Exhaust System of Base coat paint booth, Power Saving by Empty skid conveyor Capacity improvement, Energy Saving by Development and Implementation of low bake pre-gel seam sealant.
 - Chinchwad Plant: Optimisation of glass bead blasting machine air consumption, Modified cover for metal transfer ladles.
 - Maval Foundry: Yield improvement for items by double or multiple cavities, Core box cavity improvement, elimination of separate core box by including in parent core box, Diesel consumption saving in ladle preheater area.
 - Lucknow Plant: Top coat booth balancing (exhaust modification) at Paint shop, Installation of VFD for Wash pump of Beam washing machine for energy saving at Rear Axle.
 - Pantnagar Plant: Pressure scheduling in Paint Shop by installing IFC unit, FFC fuel saving kit installation in ED oven.
 - Dharwad Plant: Electrical Energy consumption monitored daily through Industry 4.0 digitalisation implementation. LED migration projects.

8. Provide details related to waste management by the entity:

Waste generated from our operations includes a wide variety of Hazardous & Non-Hazardous waste, as well as scrap material. Waste management is regulated by operating permits & authorizations by the respective Authorities in the States we operate. Our Operations continuously drive initiatives to eliminate, minimize and recycle wastes in line with the legal permission and available opportunities. These initiatives include material recovery (secondary paint from paint sludge, reclaimed thinner, reclaimed foundry sand etc), energy recovery (Co-processing, biomethanation) and recycling of scrap through authorized recyclers.

	FY 2022-23	FY 2021-22
Total waste generated (in metric tonnes)		
Plastic waste (A)	2,163	1,710
E-waste (B)	25	77
Bio-medical waste (C)	43	111
Construction and demolition waste (D)	3727	620
Battery waste (E)	157	70
Radioactive waste (F)	Nil	Nil
Other hazardous waste. Please specify, if any. (G)	4,614	3,592
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	89,042	84,290
Total (A+B + C + D + E + F + G + H)	99,744	90,470
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	48,321	45,518
(ii) Re-used		
(iii) Other recovery operations		
Total	48,321	45,518
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	49,887	48,210
(ii) Landfilling		
(iii) Other disposal operations		
Total	49,887	48,210
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency.	Yes, DNV Business Assurance India Private Ltd has assured this data set for Tata Motors India operations which includes CV, PV and EV businesses. The data disclosed here is for Tata Motors standalone (CV business)	

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste management practices across our manufacturing locations has been explained in question 8 above.

We are continuously working on reducing the use of hazardous and toxic chemicals in our manufacturing process through design as well through appropriate selection of manufacturing technology and raw materials.

We are continuously evaluating the environmental impact of the vehicle and working on finding out opportunities to improve the Material circularity. We have made efforts to eliminate paints from polymeric parts, eliminating hazardous materials & PoP (Persistent Organic Pollutants) and working on new initiatives to track and upgrade our sustainability & environmental performance.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

10. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

None of our Operations are located near notified ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant web link
The Environmental Impact Assessment ("EIA") Notification, 2006 and its amendments govern the process of granting 'Environmental Clearance' to certain projects, which are specified in the Schedule to the Notification. None of our manufacturing plants were required to obtain environmental clearances in the concluded FY2022-23.					

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances:

Yes, All our manufacturing units are compliant with the applicable environmental law/regulations/guidelines.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

Parameter	FY 2022-23 (GJ)	FY 2021-22 (GJ)
From renewable sources		
Total electricity consumption (A)	2,90,770	2,04,946
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	2,90,770	2,04,946
From non-renewable sources		
Total electricity consumption (D)	9,38,705	9,50,042
Total fuel consumption (E)	6,54,171	5,99,495
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	15,92,876	15,49,537
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.	Yes, DNV Business Assurance India Private Ltd has assured this data set for Tata Motors India operations which includes CV, PV and EV businesses. The data disclosed here is for Tata Motors standalone (CV business)	

2. Provide the following details related to water discharged:

	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	1,95,745 (TDS* 471 mg/L)	3,72,335 (TDS* 539 mg/L)
(ii) To groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

	FY 2022-23	FY 2021-22
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	195745	372335
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency	Yes, DNV Business Assurance India Private Ltd has assured this data set for Tata Motors India operations which includes CV, PV and EV businesses. The data disclosed here is for Tata Motors standalone (CV business)	

*Total Dissolved Solids

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres). For each facility / plant located in areas of water stress, provide the following information:

- I. **Name of the area: Manufacturing operations are located as Pune, Jamshedpur, Lucknow, Pantnagar and Dharwad**
- II. **Nature of operations: Automobile Manufacturing**
- III. **Water withdrawal, consumption and discharge in the following format:**

	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	53,801	51,662
(ii) Groundwater	5,04,960	4,89,012
(iii) Third party water	28,17,246	19,63,735
(iv) Seawater / desalinated water		
(v) Others	6,49,036	4,16,976
Total volume of water withdrawal (in kilolitres)	40,25,043	29,21,385
Total volume of water consumption (in kilolitres)	38,29,298	25,49,050
Water intensity per crore rupee of turnover (water consumed / turnover)	58.90	54.62
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	1,95,745 (TDS* 471 mg/L)	3,72,335 (TDS* 539 mg/L)
(ii) Into groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	1,95,745	3,72,335
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency.	Yes, DNV Business Assurance India Private Ltd has assured this data set for Tata Motors India operations which includes CV, PV and EV businesses. The data disclosed here is for Tata Motors standalone (CV business)	

* Total Dissolved Solids

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)
Energy Conservation (ENCON) projects have been implemented at all Plants and Offices of the Company in a planned and budgeted manner to reduce the consumption of power and subsequently lower our emissions. Some of the major ENCON Projects in FY 2023 included:	
-	Jamshedpur Plant: Elimination of Baking Oven operation through Quick Dry Paint implementation in Frame Factory, Operation of Cooling Tower pump motor of CCHF Furnace through VFD in Heat Treatment-Transmission.
-	Pimpri Plant: Energy Saving by Efficiently Managing Air Supply & Exhaust System of Base coat paint booth, Power Saving by Empty skid conveyor Capacity improvement, Energy Saving by Development and Implementation of low bake pre-gel seam sealant.
-	Chinchwad Plant: Optimisation of glass bead blasting machine air consumption, Modified cover for metal transfer ladles.
-	Maval Foundry: Yield improvement for items by double or multiple cavities, Core box cavity improvement, elimination of separate core box by including in parent core box, Diesel consumption saving in Ladle pre-heater area.
-	Lucknow Plant: Top coat booth balancing (exhaust modification) at Paint shop, Installation of VFD for Wash pump of Beam washing machine for energy saving at Rear Axle.
-	Pantnagar Plant: Pressure scheduling in Paint Shop by installing IFC unit, FFC fuel saving kit installation in ED oven.
-	Dharwad Plant: Electrical Energy consumption monitored daily through I4.O digitalisation implementation. LED migration projects.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

- 1a. Number of affiliations with trade and industry chambers / associations: 9 (Nine)
- 1b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to:

	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1	Society of Indian Automobile Manufacturers (SIAM)	National
2	Confederation of Indian Industry (CII)	National
3	Federation of Indian Chambers of Commerce & Industry (FIC-CI)	National
4	Indian Merchant Chambers	State
5	Indo American Chamber of Commerce	State
6	Bombay Chamber of Commerce	State
7	Bangalore Chamber of Industry and Commerce	State
8	Mahratta Chamber of Commerce, Industries & Agriculture	State
9	State Industrial Development Corporation of Uttarakhand Lim-ited (SIDCUL) Entrepreneur Welfare Society	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Nil*	

* The Competition Commission of India (CCI) had passed 2 order against the Company in year 2011 and 2021. Details as under:

Case title: PV Auto parts case (Complaint filed by Mr. Shamsheer Kataria): In the year 2011, CCI initiated the enquiry & investigation against the car manufacturers in India (including Tata Motors). Finally, CCI vide its order dated 25.08.2014 held the car manufacturers of having indulged in anti-competitive practices. CCI, among other directives, imposed a penalty on Tata Motors amounting to ₹ 1346.46 crores. TML, along with a majority of car manufacturers, challenged the order of CCI and presently there is a stay on CCI's order. Now the matter shall be listed in due course before Supreme Court for further proceedings.

Case title: CV Abuse of dominance case (Complaint filed by Mrs. Neha Gupta and Mr. Nishant Bhutada): In the year 2021, CCI ordered its Director General ("DG") to conduct an investigation on the complaint against TML, TMFL and TCFSL for concerting together to form a cartel, abusing their dominance in the vehicle market and causing irreparable financial losses to its dealers. Subsequently, TMFL and TCFSL have been dropped from the investigation. The DG has concluded his investigation and submitted the report with CCI prima facie holding TML guilty of imposing territorial restrictions on its dealers from selling the vehicles. We have filed our objections to DG's report and are now awaiting further instructions from CCI.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Company's Government & Public Affairs (GPA) team is approached by the concerned stakeholder that have been adversely impacted or feel they might get impacted in the future due to the emerging situation or any impending public policies/regulations being introduced by the Government. We also constantly monitor the developments and proactively engage with teams on policy & developments.

After internal preparation of the issue, thought processes in the industry, access to relevant public data & reports and suitable alignment, we engage with personnel across various levels in the Government agencies [Departments, Ministries, Autonomous bodies, Trade Bodies like SIAM, CII etc.) to represent our perspective.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results Communicated in public domain (Yes/No)	Relevant Web link
Not Applicable.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Sr. No	Name of project for which R & R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in FY 2023 (₹ in crore)
Not Applicable.						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company's CSR department has a community feedback mechanism across all its CSR projects. Any aggrieved individual/ groups can express their grievances through this annual exercise or on as and when required basis.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 (%)	FY 2021-22 (%)
Directly sourced from MSMEs small producers	8.05	6.57
Sourced directly from within the district and neighbouring districts	66.57	68.87*

* Commercial Vehicles and Passenger Vehicles business combined

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: question 1 of Essential Indicators above).

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

Tata Motors has its CSR presence in 107 Aspirational Districts.

State	Aspirational District	Amount spent (₹ In Lakh)
Jharkhand	East Singhbhum, Garhwa, Chatra, Giridih, Godda, Sahibganj, Pakur, Bokaro, Lohardaga, Purbi Singhbhum, Palamu, Latehar, Hazaribagh, Ramgarh, Dumka, Ranchi, Khunti, Gumla, Simdega, Pashchimi Singh	802.73
Uttarakhand	Udham Singh Nagar & Hardwar	72.03
Jammu and Kashmir	Kupwara & Baramula	1.81
Himachal Pradesh	Chamba	1.59
Punjab	Moga & Ferozpur	2.34
Rajasthan	Dhaulpur, Karauli, Jaisalmer, Sirohi, Baran	3.88
Uttar Pradesh	Chitrakoot, Fatehpur, Bahraich, Shrawasti, Balrampur, Siddharthnagar, Chandauli, Sonbhadra	10.92
Bihar	Sitamarhi, Araria, Purnia, Kati har, Muzaffarpur, Begusarai, Khagaria, Banka, Sheikhpura, Aurangabad, Gaya, Nawada, Jamui	3.87
Sikkim	West Sikkim	0.19
Nagaland	Kiphire	0.26
Manipur	Chandel	1.46
Mizoram	Mamit	0.23
Tripura	Dhalai	0.37
Meghalaya	Ribhoi	0.69
Assam	Dhubri, Goalpara, Barpeta, Hailakandi, Baksa, Darrang, Udalguri	9.59
West Bengal	Dakshin Dinajpur, Murshidabad, Birbhum, Nadia	2.52
Odisha	Dhenkanal, Gajapati, Balangir, Kalahandi, Rayagada, Koraput, Malkangiri, Nuapada, Nabrangpur	3.48
Chhattisgarh	Korba, Rajnandgaon, Mahasamund, Uttar Bastar Kanker, Narayanpur, Dakshin Bastar Dantewada, Bastar, Kondagaon, Sukma, Bijapur	2.16
Madhya Pradesh	Chhatarpur, Damoh, Barwani, Rajgarh, Vidisha, Guna, Singrauli, Khandwa (East Nimar)	5.55
Gujarat	Dahod	3.35
Maharashtra	Nandurbar, Washim, Gadchiroli, Osmanabad	5.34
Andhra Pradesh	Vizianagaram, Visakhapatnam	1.9
Kerala	Wayanad	5.08
Arunachal Pradesh	Namsai	0.26
Telangana	Khammam	0.91

- 3a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups?

Tata Motors' Affirmative Action Policy clearly speaks about its commitment towards Social equity and further its commitment to enable the people from socially and marginalized communities, especially Scheduled Castes and Scheduled Tribes, by assisting them for employment opportunities and as business associates, with merit, cost and quality being equal.

3b. From which marginalized / vulnerable groups do you procure?

The Company procures materials and services from the people from socially and marginalized communities, especially Scheduled Castes and Scheduled Tribes and women.

3c. What percentage of total procurement (by value) does it constitute?

₹ 40.06 crore worth of business awarded to Affirmative Action suppliers during FY 2023 (0.08% of total procurement spent). In addition, as a practice preference is given to firms promoted by members of the marginalised societies, the monetary value of which is not included here.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Not Applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable.

6. Details of beneficiaries of CSR Projects:

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1. Aarogya (Health): Addressing child malnutrition; health awareness for females; preventive & curative health services and institutional strengthening, drinking water projects	5,31,137	100
2. Vidyadhanam (Education): Scholarships; Special coaching classes for secondary school students; IIT-JEE & competitive exams coaching, school infrastructure improvement; co-curricular activities; financial aid to engg. students	1,07,722	100
3. Kaushalya (Employability): Diver's training – novice and refresher; ITI partnership & allied-auto trades; Motor Mechanic Vehicle (MMV); Training in retail, hospitality, white goods repair, agriculture & allied trades	28,896	100
4. Vasundhara (Environment): Tree plantation, environmental awareness for school students	98,045	100
5. Rural Development and Governance, such as Integrated Village Development Programme (IVDP) in Gujarat and Maharashtra	35,068	100

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Our customers can raise their complaints/feedbacks through multiple channels, such as: call center 24x7 toll free number, website, social media, email, letter or by directly reaching out to Channel partners (Showrooms & Workshops). All complaints raised have a defined Turn Around Time (TAT) & escalation matrix. Call center executives reach out to customers to ensure the timely and satisfactory closure of complaints registered through any touchpoints.

2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and / or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL		NIL	NIL	
Advertising	NIL	NIL		NIL	NIL	
Cyber-security	NIL	NIL		NIL	NIL	
Delivery of essential services	NA	NA		NA	NA	
Restrictive trade practice	NIL	NIL		NIL	NIL	
Unfair trade practices	NIL	NIL		NIL	NIL	
Other	NIL	NIL		NIL	NIL	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls	NIL	

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If available, provide a web-link of the policy.

Yes, Tata Motors has privacy policy and procedures as per General Data Protection Regulation (GDPR) and Indian Information Technology Act. Tata Motors is also ISO 27001 compliant. All the policies related to Privacy and Information Security Management System (ISMS) are hosted on the Company's Intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There are no issues within the reporting period with respect to advertising, and delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls. No penalty /action taken by regulatory authorities.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Details on products and services of the company can be accessed on the company's website, social media handles, mobile apps like E-Dukaan, FleetEdge, E-Bandhu and by connecting with Customer service on 1800 209 7979.

<https://www.tatamotors.com/about-us/>

<https://edukaan.home.tatamotors/#/>

<https://fleetedge.home.tatamotors/login>

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.**

We emphasise safe and responsible usage of our vehicles and services in all our communication efforts and audio-visual materials. The Owner's Manual document for all products contains important product information, instructions for safe and fuel efficient use of vehicles and customer support details.

3. **Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.**

Not Applicable.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?**

The Owner's Manual document for all products contains important product information, instructions for safe and fuel efficient use of vehicles and customer support details. 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.

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

5. **Provide the following information relating to data breaches:**

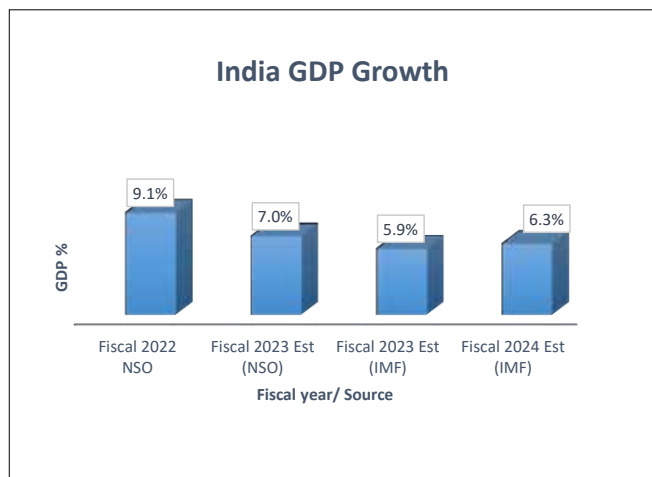
- a) Number of instances of data breaches along-with impact: NIL
- b) Percentage of data breaches involving personally identifiable information of customers

No such incidents have taken place.

Management Discussion and Analysis

Economy Overview

India



Source: NSO, IMF

GDP Growth: The estimates for the Indian economic growth are as below:

National Statistical Office (“NSO”): The growth in the real GDP during FY 2022-23 is estimated at 7.0%, compared to 9.1% in FY 2021-22. This is driven by the accentuated headwinds from prolonged geopolitical tensions, tightening global financial conditions and slowing external demand.

International Monetary Fund (“IMF”): Import and export volumes estimates based on the volumes computed from the current price data, deflated by the WEO price indexes and the NSO price indexes are as below:

Particulars	FY 2022-23	FY 2021-22
Import of goods and services	7.5%	9.6%
Export of goods and services	23.1%	22.1%

Inflation: As per the Monetary Policy Committee (the “MPC”) of the RBI, the inflation outlook will be influenced by several factors, both global and domestic. While crude oil and

commodity prices have been stabilized in recent months, their future trajectories remain uncertain, given the lingering geopolitical hostilities and the likelihood of a rebound in demand from countries reopening from pandemic-related lockdowns. Global financial markets are exhibiting volatility. Domestically, the expectations of a bumper rabi harvest augur well for the future trajectory of food inflation. On the other hand, adverse weather shocks are becoming more frequent and there is heightened uncertainty about the south-west monsoon rains. Considering the initial conditions, signals from forward-looking surveys and estimates from structural and other time-series models, CPI inflation is projected to average 5.2% in FY 2023-24, assuming a normal monsoon, a progressive normalization of supply chains, and no further exogenous or policy shocks.

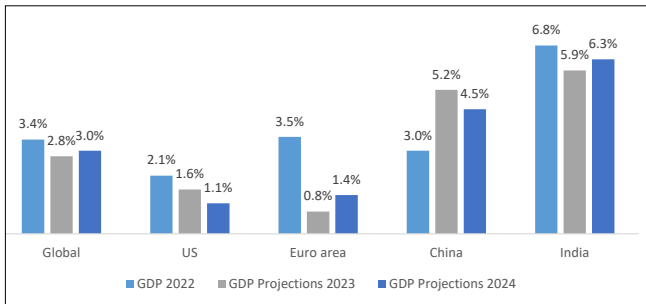
Automobile Industry: According to data released by SIAM, the rate of change in industry volumes is depicted in the below table:

Segment	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Domestic industry	48,51,241	37,86,547	28.1%	15.4%
Commercial vehicle	9,62,347	7,18,155	34.0%	26.0%
Passenger vehicle	38,88,894	30,68,392	26.7%	13.2%

The Passenger Vehicle segment posted its highest ever domestic sales surpassing the previous peak in FY 2018-19 while the Commercial Vehicles segment posted its second highest domestic sales and was close to the previous peak of FY 2018-19. While FY 2022-23 began with supply chain disruptions from the Russia-Ukraine conflict, such disruptions were alleviated by efficient supply chain management. The commodity prices have also moderated. Over the longer term, favorable policy initiatives including significant investments in infrastructure called out in the Budget, the new PLI schemes to accelerate investments by the private sector, forward looking logistic & foreign trade policies and recently announced gas pricing guidelines are expected to further encourage the growth in coming years.

World

Global economy GDP



Source: IMF

Economic Growth: The global economy appears to be poised for a gradual recovery from the powerful blows of the pandemic and of Russia's war on Ukraine. China has reopened its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks has started to tame inflation. Conversely, the rapid rise in interest rates has contributed to stresses in parts of the financial system raising financial stability concerns. The unanticipated failures of two regional banks in the United States and the collapse of the Credit Suisse have exerted significant pressure on financial markets. The fall in fuel and energy prices, particularly in the United States, Euro area and Latin America has contributed to the decline in global headline inflation.

Commodities: Primary commodity prices declined 28.2% between August 2022 and February 2023. The decrease was led by energy commodities, down 46.4%.

Crude Oil: Crude oil prices retreated by 15.7% between August 2022 and February 2023 as the slowing global economy weakened demand. European natural gas prices declined by 76.1% amid lower consumption and high storage levels. China experienced its first annual decline in oil consumption in this century. Risks of price spikes remain somewhat elevated, however, for next winter.

Metals: Base and precious metal prices rebounded by 19.7% and 3.3%, respectively as compared to FY 2021-22. Prices had surged after the invasion but experienced a broad-based retreat amid slowing Chinese metal demand (accounting for roughly half of global consumption of major metals) and monetary policy tightening. With China's reopening and increased infrastructure spending the prices rebounded.

China: The lifting of COVID restrictions after many months of lockdown resulted in a surge of COVID infections in the last quarter of the year which compounded the headwinds from property market stresses in China. Declining property sales and real estate investment posed a drag on economic activity. In January 2023, high frequency economic indicators started picking up as COVID-19 waves subsided.

United States: The US Federal Reserve has been raising interest rates to restore price stability and to bring balance to the labor market. The demand for new hires is exceeding the supply of available workers in the US, as the unemployment rate has fallen to its lowest level in over 50 years, and this has contributed to higher inflation. To help bring the economy back into balance, IMF analysis shows that staying the course and keeping interest rates elevated this year will tame inflation. Although these higher rates will temporarily increase unemployment, they will pave the way for stable inflation and sustainable economic growth, which will ultimately help create more jobs in the future.

Europe: GDP is projected to fall to 0.8% in 2023 and 1.4% in 2024. Headline inflation is forecasted to fall from 9.2% in 2022 to 6.4% in 2023 and 2.8% in 2024 in the EU. In the euro area, it is projected to decelerate from 8.4% in 2022 to 5.6% in 2023 and to 2.5% in 2024. The EU economy has seen several positive developments including the fall in the Europe's main gas benchmark price to pre-war levels, aided by a sharp fall in gas consumption as well as continued diversification of supply sources. Despite the energy shock the economy managed a broad stagnation instead of the expected 0.5% contraction. The unemployment rate remains at its all-time low of 6.1%. However, core inflation increased in January and consumers and businesses continue to face high energy costs and with more than 90% of the core items in the harmonized index of consumer prices ("HICP") basket registering above-average price increases. Domestic demand could turn out higher than projected, if the recent declines in wholesale gas prices pass through to consumer prices more strongly. Risks to inflation remain largely linked to developments in energy markets in the short run, but upside risks dominate in the outer quarters, as a still tight labor market could result in stronger than anticipated wage pressure.

United Kingdom: Following a contraction of 0.4% in 2023, GDP is projected to increase by 0.2% in 2024. Consumer price inflation will peak at around 10% in late 2023 due to high energy prices and continuing labor and goods supply shortages, before gradually declining to 2.7% by the end of 2024. Private consumption is expected to slow, owing to rising living costs, but will be aided by a 9.7% increase in the

MANAGEMENT DISCUSSION AND ANALYSIS

minimum wage and the usual uprating of welfare benefits and pensions in April 2023

(Source: RBI, World Bank, IMF, DEA, OECD etc.)

Automotive Operations

Automotive operations are 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:

- Tata and other brand vehicles - Commercial Vehicles;
- Tata and other brand vehicles - Passenger Vehicles;
- Jaguar Land Rover; and
- Vehicle Financing.

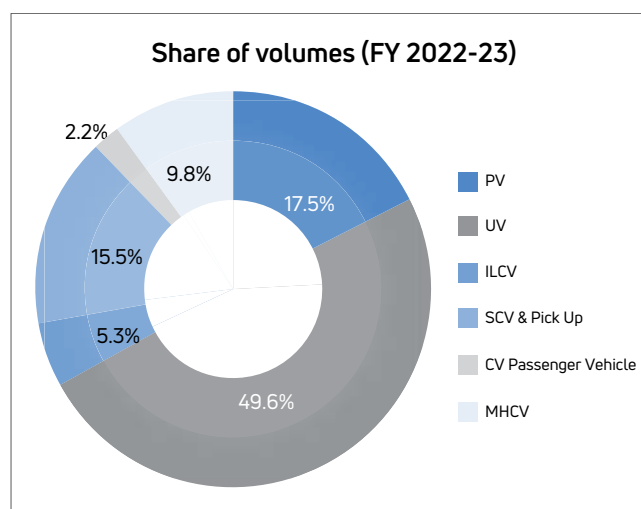
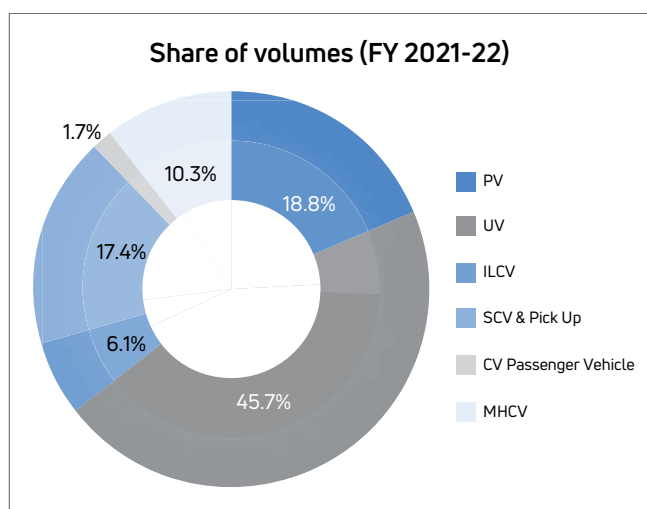
Overview of Automotive Operations

The total vehicle sales (excluding China joint venture) for FY 2022-23 and FY 2021-22 are set forth in the table below:

	FY 2022-23		FY 2021-22	
	Units	%	Units	%
Passenger cars	2,24,450	17.5%	1,94,185	18.8%
Utility vehicles	6,37,877	49.6%	4,72,154	45.7%
Intermediate and Light Commercial Vehicles	68,606	5.3%	63,097	6.1%
SCV & Pick Up	1,99,769	15.5%	1,80,222	17.4%
CV Passenger Vehicle	28,374	2.2%	17,699	1.7%
Medium and Heavy Commercial Vehicles	1,25,888	9.8%	1,06,547	10.3%
Total	12,84,964	100.0%	10,33,904	100.0%

We sold 9,31,602 units of Tata Commercial Vehicles and Tata Passenger Vehicles and 3,21,362 units (excluding wholesales from the China Joint Venture) of Jaguar Land Rover vehicles in FY 2022-23.

In India, we sold 9,31,429 and 6,93,036 units, during FY 2022-23 and FY 2021-22, respectively (constituting 72.5% and 67.0% of total sales in FY 2022-23 and FY 2021-22, respectively). In North America, we sold 81,629 units and 79,360 units in FY 2022-23 and FY 2021-22, respectively (constituting 6.4% and 7.7% of total sales in FY 2022-23 and FY 2021-22, respectively).



Tata and other brand vehicles

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

	FY 2022-23		FY 2021-22	
	Units	%	Units	%
Tata Passenger Vehicles	5,40,965	56.1%	3,72,157	50.3%
Tata Commercial Vehicles	4,22,637	43.9%	3,67,565	49.7%
Total	9,63,602	100.0%	7,39,722	100.0%

We sold a total of 9,63,602 units in FY 2022-23, of which 9,31,429 units were sold by Tata and other brand vehicles in India and 32,173 units outside India. There were 7,39,722 units sold overall in FY 2021-22, with 6,93,036 units and 46,686 units, respectively.

We maintained our leadership position in the Commercial Vehicle category in India, which was characterized by

increased competition during the year. In the Passenger Vehicle category, the Company is now the third largest automotive company in India.

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

	FY 2022-23	FY 2021-22
	%	%
Passenger Vehicles	13.5%	11.4%
Heavy Goods and Motor Vehicles (HGV+MGV)	49.6%	52.6%
Medium Goods Vehicles	44.2%	48.6%
Light Goods Vehicles	37.8%	41.4%
CV Passenger Vehicles	38.4%	35.9%
Total Commercial Vehicles	41.7%	44.7%

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

The following table sets forth our total domestic wholesales and retails of Tata Commercial Vehicles and Tata Passenger Vehicles:-

	Wholesale Volume (In Units)			Retail Volume (In Units)		
	FY 2022-23	FY 2021-22	% Change	FY 2022-23	FY 2021-22	% Change
Tata Commercial Vehicles	3,92,911	3,22,682	21.7%	3,97,229	3,19,141	24.5%
Tata Passenger Vehicles	5,38,518	3,70,354	45.4%	5,23,547	3,63,061	44.2%
Total	9,31,429	6,93,036	34.4%	9,20,776	6,82,202	35.0%

Passenger Vehicles in India

Industry sales of Passenger Vehicles increased by 27% to 37,57,703 units in FY 2022-23 from 29,60,047 units in FY 2021-22. The following table sets forth the breakup of the wholesale sales in various categories.

Category	Industry Sales			Tata Passengers Vehicles Sales		
	FY 2022-23 (In Units)	FY 2021-22 (In Units)	% Change	FY 2022-23 (In Units)	FY 2021-22 (In Units)	% Change
Passenger Cars	17,47,392	14,67,061	19.1%	1,81,407	1,44,226	25.8%
Utility Vehicles	20,10,311	14,92,986	34.7%	3,57,111	2,26,128	57.9%
Total	37,57,703	29,60,047	26.9%	5,38,518	3,70,354	45.4%

Industry-wide sales of Passenger Cars in India increased by 19.1% in FY 2022-23 as compared to the 4.9% decline in FY 2021-22. While Utility Vehicles sales increased by 34.7% in FY 2022-23, which is lower with respect to the 40.5% increase in FY 2021-22. The overall industry sales are on the rise at an increasing rate since FY 2020-21. Our Passenger Vehicle sales in India increased by 45.4% from 370,354 units in FY 2021-22 to 5,38,518 units this fiscal year, reflecting a strong response for the New Forever Range.

We sold 1,81,407 units in the Passenger Car category (Tata-brand vehicles in India) in FY 2022-23, compared to the 1,44,226 units in FY 2021-22, representing a strong demand of Tiago, Altroz and Tigor. Our market share for Passenger Cars in India rose to 10.4% in FY 2022-23, as compared to 9.8% in FY 2021-22.

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In the Utility Vehicles category, we sold 3,57,111 units in FY 2022-23, an increase of 57.9% from 226,128 units in FY 2021-22, representing a strong demand for Tata Nexon, Punch and Tata Harrier. Our market share of Utility Vehicles in India has increased to 16.7% in FY 2022-23, as compared to 14.1% in FY 2021-22.

At Auto Expo in January 2023, we displayed promising future products which include Curvv, Altroz and Punch CNG with twin cylinder technology, and Altroz racer. In February 2023, we launched #DARK (Red Hot Dark) version for Nexon, Harrier and Safari. Extending the lineage of the iconic #DARK

philosophy and already established strong design, these SUVs exude dynamism through the newly added Carnelian Red highlights, giving its customers an exclusive feel of premium-ness combined with a bold look. Harrier and Safari are further enhanced with a desirable larger infotainment screen and new ADAS features.

Commercial Vehicles in India

Industry sales of commercial vehicles rose by 34.0% to total 962,347 units in FY 2022-23 compared to the sales of 718,155 units in FY 2021-22. The following table sets forth the breakup of the wholesale sales in various categories.

Category	Industry Sales			Tata Commercial Vehicles Sales		
	FY 2022-23 (In Units)	FY 2021-22 (In Units)	% Change	FY 2022-23 (In Units)	FY 2021-22 (In Units)	% Change
Medium and Heavy Commercial Vehicles (MHCV)	2,30,720	1,51,546	52.2%	1,22,440	88,191	38.8%
Intermediate and Light Commercial Vehicles (ILCV)	1,24,388	1,09,997	13.1%	54,636	53,847	1.5%
SCVs and Pickups	5,23,923	4,23,560	23.7%	1,81,715	1,65,822	9.6%
CV Passenger Vehicles	83,316	33,052	152.1%	34,120	14,822	130.2%
Total	9,62,347	7,18,155	34.0%	3,92,911	3,22,682	21.8%

MHCVs in India

Industry saw a significant increase of 52.2% in the sale of medium and heavy commercial vehicles in FY 2022-23 compared to FY 2021-22. We sold 1,22,440 units in FY 2022-23, compared to 88,191 units in FY 2021-22 in this segment, a growth of 38.8%. The quarter-on-quarter improvement was observed, due to increase in infrastructure projects, housing construction and the mining segments in India.

ILCVs in India

Our sales in the ILCVs in India increased to 54,636 units in FY 2022-23, compared to the 53,847 units in FY 2021-22, representing an increase of 1.5%.

SCVs and Pickups in India

Our sales in SCVs and Pickups segment in India increased by 9.6% from 1,65,822 units in FY 2021-22 to 1,81,715 units in FY 2022-23. Among all segments in commercial vehicles, the SCV and pickup category has experienced increased demand from e-commerce players primarily due to the necessity for last-mile distributions to retail consumers by such companies.

CV Passenger Vehicles in India

Our sales in CV Passenger Vehicles segment in India increased by 130.2% in FY 2022-23 compared to FY 2021-22,

from 14,822 units in FY 2021-22 to 34,120 units in FY 2022-23, largely due to increased demand for public transport due to the recommencement of face-to-face learning in school and colleges and return to office work.

Tata Commercial Vehicles and Tata Passenger Vehicles — Exports

With a global presence in 39 countries, including most South Asian Association for Regional Cooperation ("SAARC") countries, South Africa, Africa, Middle East and Southeast Asia, we offer a range of products, including M&HCV trucks, LCV trucks, buses, pickups and small commercial vehicles. As international business is an integral part of our business portfolio, since our inception in 1961, we strive to maintain, improve and expand our relations with the nations of the world.

Our overall sales in these International Markets dropped by 42% to 20,222 units in FY 2022-23 compared to 34,791 units in FY 2021-22. A major drop was witnessed in SAARC region (down by 62%) driven by total industry volumes softening, forex shortages and liquidity crunch in the latter half of the year. MENA and ASEAN regions witnessed 6% year on year growth in shipments. Non-SAARC markets contributed to 57% of total shipments in FY 2022-23 as compared to 34% in

FY 2021-22. Democratic Republic of Congo achieved highest ever shipments of 1,005 units in FY 2022-23; Saudi Arabia hits highest ever shipments of 1,292 units and retails of 1,401 units in FY 2022-23; Vietnam achieves highest ever retails of 998 units in FY 2022-23.

TDCV, a subsidiary company engaged in the manufacturing of MHCVs and LCVs, reported an increase of 0.4%, with total units sold reaching 9,493, in FY 2022-23. This is almost flat compared to 9,454 units in FY 2021-22. Domestic volume witnessed a degrowth of 13.8% from 7,400 units in FY 2021-22 to 6,381 units in FY 2022-23, mainly due to a downturn in the domestic economy during the second half of the year. However, this decline in domestic was compensated by strong export growth of 51.5% from 2,054 units in FY 2021-22 to 3,112 units in FY 2022-23. During the year, TDCV launched LCV range of product "DEXEN" to strengthen its portfolio.

Tata Commercial Vehicles and Tata Passenger Vehicles — Sales and Distribution

Our sales and distribution network in India as at March 2023 comprised over 6,800 touch points for sales and service for our Passenger Vehicles and Commercial Vehicles businesses. We use a network of service centre's on highways and a toll-free customer assistance centre to provide 24-hour roadside assistance, including replacement of parts, to vehicle owners.

We have a 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.

With a global presence in 39 countries, including most South Asian Association for Regional Cooperation ("SAARC") countries, South Africa, Africa, Middle East and Southeast Asia, we offer a range of products, including M&HCV trucks, LCV trucks, buses, pickups and small commercial 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 Bharat Stage 6 ("BS6") successfully and subsequently the BS6 Phase 2 norms, 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 vehicles.

Tata Commercial Vehicles and Tata Passenger Vehicles—Seasonality

Demand for our vehicles in the Indian market is subject to seasonal variations. Demand generally peaks in the last quarter of each financial year, i.e., 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 at a moderate level from April to July but gains momentum again from September onwards, due to the festival season, with a decline in December due to year-end.

Tata Commercial Vehicles and Tata Passenger Vehicles—Challenges

Tata Commercial Vehicles - Elevated levels of inflation continue to be a challenge with commodity prices increasing and impacting margins. Other macroeconomic factors, such as fuel price increases and rate hikes, are also a key concern as these play an important role in determining freight rates and therefore transporter profitability. While freight rates have been improving, going forward, too, it would need to keep pace with the fuel price increases and impending rate hikes.

Tata Passenger Vehicles - Business environment continues to be challenging, with inflation and commodity price increases impacting profitability, consumer spending power

MANAGEMENT DISCUSSION AND ANALYSIS

and competitive nature of the industry. We aim to mitigate these risks by innovating, ensuring the portfolio remains "NEW FOREVER" by means of introducing exciting new variants, multiple powertrain options and fast tracking our cost reduction efforts to improve profitability.

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 ₹18,334 crores and ₹16,329 crores in vehicle financing during FY 2022-23 and FY 2021-22, respectively. Approximately 17% and 27% 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 2022-23 and FY 2021-22, respectively.

TMF group's customer finance receivable portfolio comprised over seven lakhs, contracts as at March 31, 2023.

During FY 2022-23 TMF group revenue stood at ₹4,927 crores as compared to ₹4,827 crores in FY 2021-22. The profit before tax for FY 2022-23 was a loss of ₹993 crores as compared to a profit of ₹101 crores in FY 2021-22. The reason for increase in loss in Fiscal 2023 was due to an increased provision for finance receivable.

Our portfolio contains ways to follow specified internal procedures, including quantitative guidelines, for selection of our finance customers and assist in managing default and repayment risk. 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 the TMF group.

Jaguar Land Rover's Performance Analysis

Total wholesale and retail volume of Jaguar Land Rover vehicles (excluding Chery Jaguar Land Rover) with a breakdown between Jaguar and Land Rover brand vehicles, in FY 2022-23 and FY 2021-22 are set forth in the table below:

	Wholesale Volume (in units excluding CJLR)			Retail Volume (in units excluding CJLR)		
	FY 2022-23	FY 2021-22	% change	FY 2022-23	FY 2021-22	% change
Jaguar	42,720	49,510	(13.7)	62,521	77,381	(19.2)
UK	11,239	13,822	(18.7)	12,076	17,016	(29.0)
North America	11,930	11,469	4.0	10,755	13,785	(22.0)
Europe	12,350	15,178	(18.6)	12,832	17,841	(28.1)
China	2,374	2,887	(17.8)	22,370	21,858	2.3
Overseas	4,827	6,154	(21.6)	4,488	6,881	(34.8)
Land Rover	278,642	244,672	13.9	292,141	299,000	(2.3)
UK	50,903	43,371	17.4	51,935	46,422	11.9
North America	69,699	67,881	2.7	66,771	77,520	(13.9)
Europe	61,999	49,983	24.0	58,874	54,227	8.6
China	42,544	38,529	10.4	68,628	73,927	(7.2)
Overseas	53,497	44,908	19.1	45,933	46,904	(2.1)
Jaguar Land Rover	321,362	294,182	9.2	354,662	376,381	(5.8)
UK	62,142	57,193	8.7	64,011	63,438	0.9
North America	81,629	79,350	2.9	77,526	91,305	(15.1)
Europe	74,349	65,161	14.1	71,706	72,068	(0.5)
China	44,918	41,416	8.5	90,998	95,785	(5.0)
Overseas	58,324	51,062	14.2	50,421	53,785	(6.3)
CJLR	50,855	53,468	(4.9)	50,904	54,035	(5.8)

Jaguar Land Rover's performance on a wholesale basis:

Wholesales (excluding our China Joint Venture) for the FY 2022-23 were 3,21,362 up 9.2%, compared to FY 2021-22. Compared to the prior year, wholesale volumes were higher in all markets led by Overseas 14.2%, Europe 14.1%, UK 8.7%, China 8.5% and North America 2.9%. This increase was driven by the gradual improvement in the supply of semiconductor during the year though constraints on the supply of commercial semiconductor was not completely removed. Given these restrictions on availability of [our products], we have been able to increase our revenue per unit reflecting the prioritisation of higher margin products giving us a strong mix, particularly in the Range Rover and Defender families.

Jaguar Land Rover's performance on a retail basis:

Retail sales for FY 2022-23 were 3,54,662 down 5.8% compared to FY 2021-22. Compared to the prior year, retail volumes were higher in the UK 0.9% and down in North America 15.1%, Europe 0.5%, China 5.0% and Overseas 6.3%. This reduction reflected the impact of the chip shortages during FY 2022-23 while retail volumes in FY 2021-22 were supported by destocking of inventories. Demand remains strong with the client order book at around 200,000 units as at March 31, 2023.

Retails by powertrain

The electrified mix, which includes mild hybrid, plug-in hybrid and battery electric vehicles ("BEV"), increased slightly from 66% in FY 2021-22 to 67% in FY 2022-23. Within this, plug-in hybrid sales increased from 8% to 10%. During FY 2022-23, JLR commenced handover to customers of the new Range Rover and Range Rover Sport PHEV models while we are planning to launch a new Range Rover BEV model in 2024.

Jaguar Land Rover's Sales and Distribution

In FY 2022-23, Jaguar Land Rover distributed its vehicles in 123 markets 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 Land Rover has regional offices in certain select countries that manage customer relationships and vehicle supplies and provide marketing and sales support to its 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.

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.

Jaguar Land Rover — Challenges

Semiconductors and general supply constraints

The ongoing supply chain challenges, particularly around semiconductors, continued to limit our ability to build cars in line with customer demand during FY 2022-23. We saw significant volatility in raw material commodity markets during the year leading to abnormal pricing levels and elements of scarcity in some markets. Supply constraints were caused by various external factors, namely Covid-19 recovery, the conflict in Russia-Ukraine and energy inflation.

In response to these challenges, we focused production on higher margin products and improved our organisational

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capabilities and processes to more proactively manage our supply chain. We put in place long-term supply agreements directly with a number of semiconductor manufacturers to protect both current and future product programs. As a result of our actions, our wholesale volumes for the year were 3,21,362 up 9.2% compared to the prior year. Whilst general supply chain challenges are likely to continue in the coming year, we anticipate that the actions we have taken this year will minimise the impacts on our volumes.

Global inflation

Inflationary pressures have increased during the past year with energy prices in Europe, where we produce the majority of our cars, rising as a result of the Russian invasion of Ukraine. We have seen cost increases coming from higher commodity prices, energy costs, labour rates and semiconductor prices.

We have taken steps to offset these impacts under our Refocus program which has delivered over ₹1 billion of value to the business through actions taken to optimise sales, lower costs and to prioritise investment spending.

Geopolitics

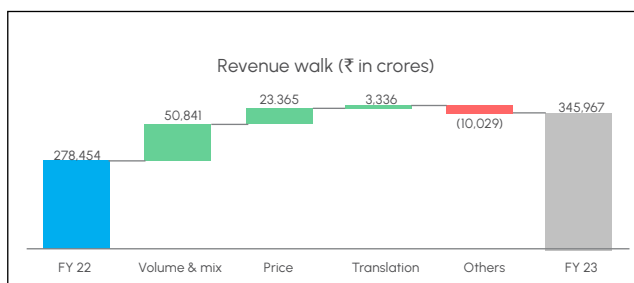
Geopolitical challenges including increasing geopolitical tensions and regulatory and legislative changes such as the US inflation reduction act have a global reach and can impact global of supply chains. While we have not observed any direct impacts on our business in the last year as a result of specific events, we proactively scenario plan against a range of outcomes to ensure we remain well balanced as a business.

A. Operating Results

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

Overview

In FY 2022-23 consolidated income from operations including finance revenues increased by 24.2% to ₹345,967 crores from ₹278,454 crores in FY 2021-22. This increase was mainly attributable to increased vehicle volumes, mainly for Tata Commercial and Passenger vehicles and Jaguar Land Rover.



The net profit (attributable to shareholders of our Company) was ₹2,414 crores in FY 2022-23, compared to a loss of ₹11,441 crores in FY 2021-22. Tata Motors on a standalone basis recorded deferred tax asset of ₹1,615 crores in FY 2022-23, on carry forward losses (unabsorbed depreciation), as it is probable, profits will be available against which these will be utilized in coming years. The profit before tax was ₹3,058 crores in FY 2022-23 as against the loss before tax of ₹7,003 crores in FY 2021-22. Excluding the exceptional items, profit before tax was ₹1,467 crores in FY 2022-23, as compared to loss before tax of ₹6,374 crores in FY 2021-22. Increase in volumes, better management of costs, softening of commodity prices, have resulted in profits for the year.

Automotive operations

Automotive operations are our most significant segment, accounting for 99.0% of our total revenues in FY 2022-23 and FY 2021-22. In FY 2022-23, revenue from automotive operations before inter-segment eliminations was ₹342,641 crores compared to ₹275,780 crores in FY 2021-22.

Particulars	FY 2022-23	FY 2021-22	Change (%)
Total Revenues (₹ in crores)	3,42,641	2,75,780	24.2%
Earnings before other income, interest & Tax (₹ in crores)	9,041	1,424	535.0%
Earnings before other income, interest & Tax (% of revenue)	2.6%	0.5%	

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

Category	Total Revenues (₹ in crores)		EBIT (₹ in crores)		EBIT (% of revenue)	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
CV	70,816	52,287	3,693	210	5.2%	0.4%
PV	47,868	31,515	542	(660)	1.1%	(2.1%)
JLR	2,22,860	1,87,697	3,482	(439)	1.6%	(0.2%)
Financing	4,595	4,585	1,499	2,466	32.6%	53.8%
Unallocable	360	314	(158)	(62)	(43.8%)	(19.9%)
Inter-Segment eliminations	(3,858)	(618)	(18)	(90)	0.5%	14.6%
Total	3,42,641	2,75,780	9,041	1,424	2.6%	0.5%

In FY 2022-23, Jaguar Land Rover contributed 64% of our total automotive revenue compared to 68% in FY 2021-22 (before intra-segment elimination) and the remaining 36% was contributed by Tata and other brand vehicles and Vehicle Financing in FY 2022-23, compared to 32% in FY 2021-22. This is reflecting higher growth of Tata branded vehicles as compared to Jaguar Land Rover.

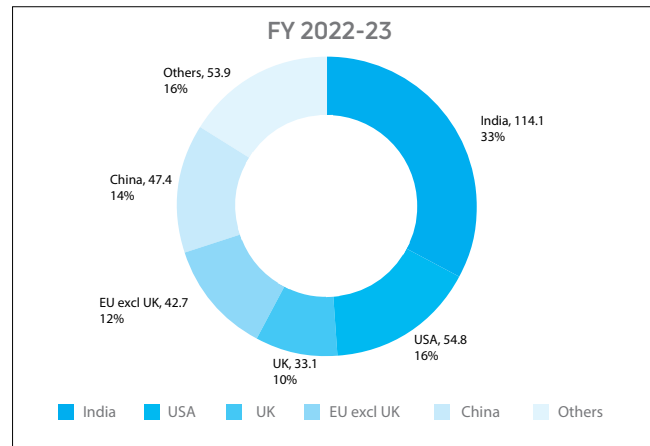
Other operations

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).

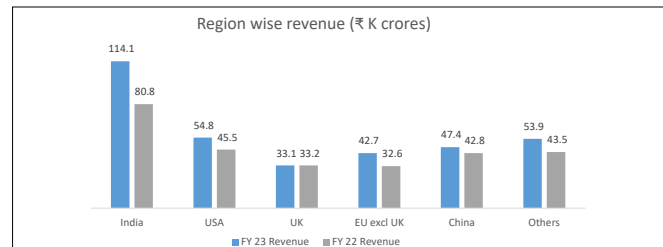
Particulars	FY 2022-23	FY 2021-22	Change (%)
Total Revenues (₹ in crores)	4,809	3,809	26.2%
Earnings before other income, interest & Tax (₹ in crores)	826	625	32.5%
Earnings before other income, interest & Tax (% of revenue)	17.2%	16.4%	

Geographical Breakdown

In FY 2022-23, volume and percentage of revenues in India have improved from FY 2021-22 levels. The revenue of Jaguar Land Rover increased across most geographical markets in FY 2022-23. Jaguar Land Rover wholesale volumes increased in all regions including in China (increased 8.5% year-on-year), Europe (increased 14.1%), North America (increased 2.9%) and in the UK (increased 8.7%) in FY 2022-23. Further we are present across the Globe with well diversified product portfolio.



The following chart sets forth our revenue from key geographical markets:



The "EU" market is geographic Europe, excluding the United Kingdom and Russia. The "Others 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 year indicated and shows these items as a percentage of total revenue:

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Particulars	FY 2022-23 (%)	FY 2021-22 (%)	Difference (Bps)
Revenue from operations	100.0%	100.0%	-
Expenditure:			
Cost of material consumed (including change in stock)	65.5%	65.0%	50
Employee Cost	9.7%	11.1%	(134)
Product development/Engineering expenses	3.1%	3.3%	(22)
Other expenses (net)	17.9%	16.9%	93
Amount transferred to capital and other accounts	(5.3%)	(5.2%)	(16)
Total Expenditure	90.8%	91.1%	(29)
Profit before other income, Depreciation and amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax	9.2%	8.9%	29
Other Income	1.3%	1.1%	24
Profit before Depreciation and Amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax	10.5%	10.0%	53
Depreciation and Amortization	7.2%	8.9%	(173)
Finance costs	3.0%	3.3%	(39)
Foreign exchange loss (gain)/ Loss (net)	(0.0%)	0.0%	(6)
Exceptional Item (gain)/loss (net)	(0.5%)	0.2%	(69)
Profit/(loss) before tax	0.9%	(2.5%)	340
Tax expense / (credit)	0.2%	1.5%	(131)
Profit/(loss) after tax	0.7%	(4.0%)	471
Share of profits/(loss) of equity accounted investees (net)	0.1%	(0.0%)	12
Profit/(loss) for the year	0.8%	(4.1%)	483
EBITDA	10.7%	9.6%	110
EBIT	3.6%	0.7%	290

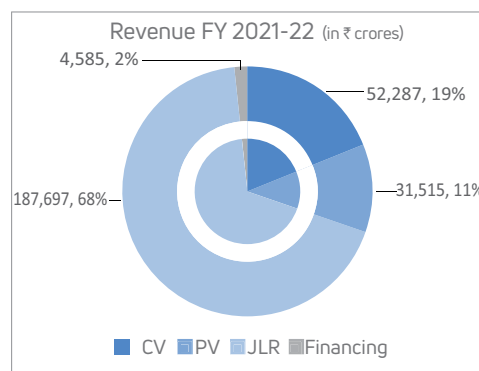
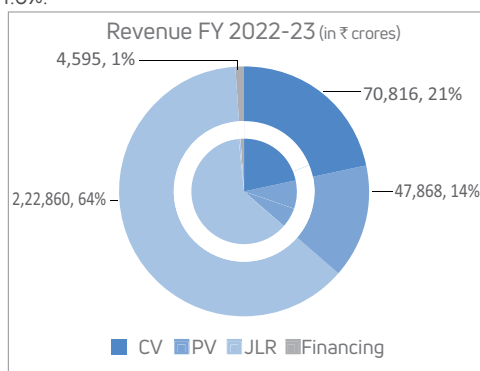
*Less than 0.0%

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 increased by 24.2% to ₹3,45,967 crores in FY 2022-23 from ₹2,78,454 crores in FY 2021-22. Revenue from the sale of vehicle increased to ₹2,90,006 crores in FY 2022-23, compared to ₹2,27,179 crores, an increase of 27.7%. We sold 12,84,898 vehicles in FY 2022-23, compared to 10,33,904 vehicles in FY 2021-22, an increase of 24.3%.



The revenue of our Tata brand vehicles including vehicle finance increased by 39.4% to ₹1,23,639 crores in FY 2022-23 from ₹88,701 crores in FY 2021-22, mainly due to increased volumes both in commercial vehicles and passenger vehicle segment.

Tata Commercial Vehicles:

The revenue from Tata commercial vehicle was ₹70,816 crores in FY 2022-23, compared to ₹52,287 crores in FY 2021-22, an increase of 35.4%.

Our revenues from sales of vehicles and spare parts of Commercial Vehicles manufactured in India increased by 38.7% to ₹64,029 crores in FY 2022-23 from ₹46,171 crores in FY 2021-22. The revenue from Commercial Vehicle in ILCVs category increased by 40.3% to ₹8,746 crores in FY 2022-23 from ₹6,233 crores in FY 2021-22. The SCVs and Pickups category in India increased by 20.2% to ₹7,416 crores in FY 2022-23 from ₹6,169 crores in FY 2021-22. Revenues from MHCVs category increased by 44.4% to ₹31,429 crores in FY 2022-23 from ₹21,759 crores in FY 2021-22 and CV Passenger Vehicles category revenue increased by 135.5% to ₹4,659 crores in FY 2022-23 from ₹1,978 crores in FY 2021-22. The revenue of commercial vehicle at overall level increased, due to an increase in infrastructure projects, housing construction and the mining segments in India, increased demand from e-commerce players due necessity for last-mile distributions.

Revenue attributable to TDCV, increased marginally by 3.1% to ₹5,520 crores in FY 2022-23 from ₹5,352 crores in FY 2021-22. TDCV witnessed flat sales of 9,493 units in FY 2022-23 from 9,454 units in FY 2021-22. In South Korea market, volume witnessed a degrowth of 13.8% from 7,400 units in FY 2021-22 to 6,381 units in FY 2022-23 mainly due to downturn in domestic economy in second half of the year. Decline in domestic was compensated by strong export growth of 51.5% from 2,054 units in FY 2021-22 to 3,112 units in FY 2022-23.

Tata Passenger Vehicles:

The revenue from Tata Passenger Vehicles was ₹47,868 crores in FY 2022-23, compared to ₹31,515 crores in FY 2021-22, an increase of 51.9%.

Our revenues from sales of vehicles and spare parts of Passenger Vehicles manufactured in India increased by 49.2% to ₹48,226 crores in FY 2022-23 from ₹32,324 crores in FY 2021-22. The revenue from Passenger Cars in India has increased by 26.6% to ₹8,331 crores in FY 2022-23 from ₹6,579 crores in FY 2021-22, Electric vehicle increased to ₹6,586 crores in FY 2022-23 from ₹2,577 crores in FY 2021-22 and Utility Vehicles increased by 45.2% to ₹23,935 crores in FY 2022-23

from ₹16,490 crores in FY 2021-22. 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.

Vehicle financing:

Revenue from our Vehicle Financing operations was flat at ₹4,595 crores in FY 2022-23, compared to ₹4,585 crores in FY 2021-22.

Jaguar & Land Rover:

The revenue of our Jaguar Land Rover business increased by 18.7% to ₹2,22,860 crores in FY 2022-23 from ₹1,87,697 crores in FY 2021-22. This increase was after an unfavorable translation of ₹11,380 crores from GBP to Indian rupees in FY 2022-23. Excluding currency translation, the revenue of Jaguar Land Rover increased by 24.5% to GBP 22,938 million in FY 2022-23 from GBP 18,454 million in FY 2021-22. Jaguar Land Rover wholesale volumes improved across all key regions in FY 2022-23, up 9.2% year on year compared to FY 2021-22. Jaguar brand vehicles sales were 42,720 units in FY 2022-23 from 49,510 units in FY 2021-22, a decrease of 13.7%. However, Land Rover vehicles sales increased from 244,672 units in FY 2021-22 to 278,642 units in FY 2022-23, an increase of 13.9% (volumes excluding the China Joint Venture). The increase in revenue is also driven by product mix improvement.

Others:

Revenue from other operations (before inter-segment eliminations) increased by 26.2% to ₹4,809 crores in FY 2022-23 compared to ₹3,809 crores in FY 2021-22. This is mainly on account of increase in revenue of Tata Technologies post recovery from 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 increased by 25.2% to ₹2,26,470 crores in FY 2022-23 from ₹1,80,886 crores in FY 2021-22, in line with increase in revenue. As a percentage of revenue material costs are 65.5% in FY 2022-23, compared to 65.0% in FY 2021-22.

Tata Commercial Vehicles:

Material costs for Tata Commercial Vehicles increased by 32.1% to ₹52,828 crores in FY 2022-23 from ₹39,999 crores in FY 2021-22, due to increased volumes. The material costs as

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a percentage of total revenue decreased to 74.6% in FY 2022-23, compared to 76.5% in FY 2021-22, primarily due to a improved product mix.

Material costs for ILCVs category increased by 32.6% to ₹7,166 crores in FY 2022-23, compared to ₹5,404 crores in FY 2021-22 and for SCVs and Pickups increased by 16.4% to ₹6,339 crores in FY 2022-23, compared to ₹5,444 crores in FY 2021-22 mainly due to increase in volumes. Material costs for MHCVs category increased by 37.0% to ₹24,624 crores in FY 2022-23, compared to ₹17,978 crores in FY 2021-22 and for CV Passenger Vehicles category substantially increased to ₹3,974 crores in FY 2022-23, compared to ₹1,707 crores in FY 2021-22 mainly due to increase in volumes. The material costs as a percentage of revenue decreased to 80.6% in FY 2022-23, compared to 84.5% in FY 2021-22.

Material costs remained flat at ₹3,528 crores in FY 2022-23, compared to ₹3,522 crores in FY 2021-22 for TDCV. As a percentage of total revenue, material costs increased to 62.0% in FY 2022-23, compared to 62.5% in FY 2021-22, reflecting commodity price increases, offset by product mix.

Tata Passenger Vehicles:

Material costs for Tata Passenger Vehicles increased by 42.7% to ₹36,833 crores in FY 2022-23 from ₹25,820 crores in FY 2021-22, due to increased volumes. The material costs as a percentage of total revenue decreased to 76.9% in FY 2022-23, compared to 81.9% in FY 2021-22, primarily due to a improved product mix.

For our India operations, material costs of Passenger Cars increased to ₹7,383 crores in FY 2022-23, compared to ₹6,072 crores in FY 2021-22, electric vehicles increased to ₹6,213 crores in FY 2022-23, compared to ₹2,301 crores in FY 2021-22 and Utility vehicles increased by 54.4% to ₹11,554 crores in FY 2022-23, compared to ₹7,483 crores in FY 2021-22. The increase in material costs is mainly due to increased sales volumes and increase price under BS6. The material costs as a percentage of revenue decreased to 85.5% in FY 2022-23, compared to 86.5% in FY 2021-22, primarily due to better product mix.

Jaguar & Land Rover:

At our Jaguar Land Rover operations, material costs in FY 2022-23 increased by 19.0% to ₹1,36,032 crores, from ₹1,14,340 crores in FY 2021-22. The increase was partially offset by a favourable currency translation from GBP to Indian rupees of ₹6,949 crores. Excluding currency translation, material costs attributable to our Jaguar Land Rover operations increased by 24.7% to GBP 14,007 million in FY 2022-23 from GBP 11,235

million in FY 2021-22, mainly due to a 9.2% increase in sales volume and change in product mix. Material costs at our Jaguar Land Rover operations as a percentage of revenue remains almost constant 61% in FY 2022-23 and FY 2021-22 (in GBP terms). The mix and pricing improvement have offset the impact of material cost pressures.

Employee Costs

Our employee costs increased by 9.2% in FY 2022-23 to ₹33,655 crores from ₹30,809 crores in FY 2021-22, including the foreign currency translation impact from GBP to Indian rupees as discussed below.

Our permanent employee headcount increased by 11.1% as at March 31, 2023, to 81,811 employees from 73,608 employees as at March 31, 2022. The average temporary headcount has decreased to 36,082 employees in FY 2022-23 from 40,717 employees in FY 2021-22.

Tata Commercial Vehicles:

The employee costs for Tata Commercial Vehicles increased by 10.4% to ₹5,073 crores in FY 2022-23 from ₹4,595 crores in FY 2021-22, mainly due to yearly increments and various wage settlements during the year. The employee costs as a percentage of revenue decreased to 7.1% in FY 2022-23 from 8.7% in FY 2021-23, due to increase in revenue.

Employee costs at Tata Motors Ltd, increased by 11.6% to ₹3,867 crores in FY 2022-23 from ₹3,466 crores in FY 2021-22, mainly due to annual increments and production Linked Incentive. The permanent headcount decreased by 4% as at March 31, 2023 to 35,332 employees from 36,854 employees as at March 31, 2022

Employee costs at TDCV were increased to ₹832 crores in FY 2022-23, compared to ₹787 crores in FY 2021-22 primarily due annual increments given during FY 2022-23.

Tata Passenger Vehicles:

The employee costs for Tata Passenger Vehicles increased by 35.5% to ₹1,723 crores in FY 2022-23 from ₹1,272 crores in FY 2021-22, mainly due to yearly increments and various wage settlements during the year. The employee costs as a percentage of revenue decreased to 3.6% in FY 2022-23 from 4.0% in FY 2021-22, due to increase in revenue.

Employee costs of Tata Motors Passenger Vehicles Limited increased by 34.0% to ₹1,309 crores in FY 2022-23 from ₹977 crores in FY 2021-22, mainly due to increase in headcount by 26.5%, annual increments and increase in production.

Jaguar & Land Rover:

The employee costs at Jaguar Land Rover increased by 6.2% to ₹24,502 crores (GBP 2,524 million) in FY 2022-23 from ₹23,058 crores (GBP 2,265 million) in FY 2021-22. Increase is driven by rise in average headcount and also annual increments. The average headcount increased by 6.6% (FY 2022-23 average 38,379 vs FY 2021-22 average 36,031). The increase was partially offset by favourable foreign currency translation impact from GBP to Indian rupees of ₹1,252 crores. The employee costs as a percentage of revenue increased to 11.0% in FY 2022-23 from 12.3% in FY 2021-22 (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 cost stood at 3.1% and 3.3% of total revenues ₹10,662 crores and ₹9,210 crores for FY 2022-23 and FY 2021-22, respectively.

Other Expenses

Other expenses increased by 31.0% to ₹61,786 crores in FY 2022-23 from ₹47,134 crores in FY 2021-22. There was favourable foreign currency translation of GBP to Indian rupees of ₹2,436 crores. As a percentage of total revenues, these expenses increased to 17.9% in FY 2022-23 from 16.9% in FY 2021-22.

The major components of expenses are as follows:

(₹ in crores.)

	FY 2022-23	FY 2021-22	Change	% of Revenue	
				FY 2022-23	FY 2021-22
Processing charges	1,786	1,406	27.0%	0.5%	0.5%
Stores, spare parts and tools consumed	1,610	1,446	11.3%	0.5%	0.5%
Freight, transportation, port charges, etc.	7,548	6,278	20.2%	2.2%	2.3%
Power and fuel	2,513	2,178	15.4%	0.7%	0.8%
Warranty charges and Product Liabilities	10,497	8,775	19.6%	3.0%	3.2%
Publicity	6,035	4,864	24.1%	1.7%	1.7%
Information technology/computer expenses	3,970	3,544	12.0%	1.1%	1.3%
Provision and write off of sundry debtors, vehicle loans and advances (net)	2,086	1,427	46.2%	0.6%	0.5%
Engineering expenses	4,401	3,031	45.2%	1.3%	1.1%
MTM (gain)/loss on commodity derivatives	1,415	(1,371)	(203.2%)	0.4%	(0.5%)
Works operation and other expenses	19,926	15,556	27.9%	5.8%	5.6%
Other Expenses	61,786	47,134	31.0%	17.9%	16.9%

- Freight and transportation expenses increased by 20.2% to ₹7,548 crores in FY 2022-23. This is partially offset favourable currency translation of ₹313 crores from GBP to INR. At Jaguar Land Rover freight and transportation expenses were increased from GBP 485 million in FY 2021-22 to GBP 630 million in FY 2022-23, mainly due to increase in sales volume. For India operations, expenses increased by 7.3% from ₹1,254 crores in FY 2021-22 to ₹1,346 crores in FY 2022-23, offset by decrease in Passenger Vehicles expenses by 10.7% from ₹228 crores in FY 2021-22 to ₹204 crores in FY 2022-23. As a % to revenue, freight and transportation expenses was 2.2% in FY 2022-23, as compared to 2.3% in FY 2021-22.
- Our works operation and other expenses represented 5.8% and 5.6% of total revenue in FY 2022-23 and FY 2021-22, respectively. Other expenses mainly relate to volume-related expenses at Jaguar Land Rover and Tata Commercial and Passenger Vehicles. On absolute terms, the expenses increased to ₹19,926 crores in FY 2022-23 from ₹15,556 crores in FY 2021-22, mainly on account of miscellaneous contract job/outsourcing expenses.
- Publicity expenses remains constant at 1.7% of our total revenues in FY 2022-23 as well as FY 2021-22, respectively. The publicity expenses at Jaguar Land Rover decreased to GBP 509 million (2.2% of the revenue) in FY 2021-22, compared to GBP 402 million (2.2% of revenue) in FY 2021-22. In addition to routine product and

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brand campaigns, we incurred expenses relating to new product introduction campaigns in FY 2022-23, mainly the new Range Rover at Jaguar Land Rover and the new dark variants at Tata Motors India operations.

4. The allowances for finance receivables are related to Vehicle Financing segment. These allowances mainly reflect provisions for the impairment of vehicle loans which increased by 55.9% to ₹2,039 crores for FY 2022-23, compared to ₹1,308 crores in FY 2021-22. The increase is mainly due to higher provisions for restructured portfolio. The allowances for trade and other receivables were ₹81 crores in FY 2022-23, compared to ₹151 crores in FY 2021-22.
5. Warranty and product liability expenses represented 3.0% and 3.2% of our total revenues in FY 2022-23 and FY 2021-22, respectively. The warranty expenses at Jaguar Land Rover increased to GBP 885 million (3.9% of the revenue) in FY 2022-23, compared to GBP 748 million (4.1% of revenue) in FY 2021-22, mainly due to increased retailer guidance, guided diagnostics enhancement, proactive issue detection, prioritisation and resolution coming from charge initiatives, quality improvements in vehicles and the implementation of other business enhancement activities. For Tata Motors' Indian operations, Commercial Vehicles remains at 1.5% in FY 2022-23 and FY 2021-22, Passenger Vehicles partially decreased from 0.7% in FY 2021-22 to 0.5% in FY 2022-23, thereby on overall level represent 1.2% and 1.1% of the revenue for FY 2022-23 and FY 2021-22, respectively, due to quality improvements and product mix.
6. Engineering expenses increased by 45.2% to ₹4,401 crores in FY 2022-23, compared to ₹3,031 crores in FY 2021-22. These expenses represent 1.3% and 1.1% of our total revenues in FY 2022-23 and FY 2021-22, respectively and are attributable mainly to increased expenditure at Jaguar Land Rover.
7. There was loss of ₹1,415 crores in FY 2022-23 for commodity derivative as compared to gain of ₹1,371 crores in FY 2021-22.

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

increased by 28.0% to ₹18,435 crores in FY 2022-23 from ₹14,397 crores in FY 2021-22. The increase partially offset by unfavourable foreign currency translation impact from GBP to Indian rupees of ₹839 crores pertaining to Jaguar Land Rover.

Other income

There was a net gain of ₹4,633 crores in FY 2022-23, compared to ₹3,054 crores in FY 2021-22, representing increase of 51.7%.

- Interest income increased to ₹1,251 crores in FY 2022-23, compared to ₹625 crores in FY 2021-22, mainly increased in short term fixed deposit at Tata Motors Limited (including Passenger and Electric Vehicles) 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 increased to ₹2,913 crores in FY 2022-23, compared to ₹2,125 crores in FY 2021-22. Government incentive includes exports and other incentives of ₹780 crores and ₹2,133 crores received by foreign subsidiaries on Tax credit on qualifying expenditure for research and development in FY 2022-23.
- MTM gain on investments fair valued through profit or loss of ₹93 crores in FY 2022-23, compared to ₹53 crores in FY 2021-22.
- Profit on sale of investments measured at fair value through profit or loss is ₹329 crores in FY 2022-23, compared to ₹217 crores in FY 2021-22.

Depreciation and Amortization

Our depreciation and amortization expenses were flat in FY 2022-23, the breakdown of which is as follows:

(₹ in crores)			
Particulars	FY 2022-23	FY 2021-22	Change
Depreciation	11,799	11,068	6.6%
Amortization	11,954	12,652	(5.5%)
Amortization of Leased Assets (RTU)	1,107	1,116	(0.8%)
Total	24,860	24,836	0.1%

Finance Cost (interest expenses)

Our interest expense (net of interest capitalized) increased by 10% to ₹10,225 crores in FY 2022-23 from ₹9,312 crores in FY 2021-22. As a percentage of total revenues, interest expense represented 3.0% and 3.3% in FY 2022-23 and FY 2021-22, respectively. The interest expense (net) for Jaguar Land Rover was GBP 507 million (₹4,898 crores) in FY 2022-23, compared to GBP 369 million (₹3,757 crores) in FY 2021-22. The increase in interest expense primarily reflects interest

accrued on increased indebtedness which included the new EUR€500 million and US\$500 million unsecured bonds issued in FY 2021-22. For Tata Commercial Vehicles and Tata Passenger Vehicles, interest expense remained flat at ₹2,795 crores in FY 2022-23 from ₹2,792 crores in FY 2021-22, reflecting decrease in borrowings. For the Vehicle Financing business, interest expense increased by 6.1% to ₹2,885 crores in FY 2022-23 from ₹2,719 crores in FY 2021-22, mainly due to higher cost of borrowings.

Foreign exchange (gain)/loss (net)

We had a net foreign exchange gain of ₹104 crores in FY 2022-23, compared to a loss of ₹79 crores in FY 2021-22.

- Jaguar Land Rover recorded an exchange gain of ₹154 crores in FY 2022-23, compared to ₹61 crores in FY 2021-22, on account of foreign exchange and fair value adjustments.
- For our India operations, we incurred a net exchange loss of ₹308 crores in FY 2022-23, compared to ₹166 crores in FY 2021-22, mainly attributable to foreign currency denominated borrowings.

Exceptional Item (gain)/loss (net)

Particulars	₹ in crores)	
	FY 2022-23	FY 2021-22
Employee separation cost	1	10
Defined benefit pension plan amendment past service cost	(1,495)	-
Write off/provision for tangible intangible assets (including under development (net))	230	-
Reversal for Onerous Contracts and related supplier claims	(61)	-
Reversal for costs of closure of operation of a subsidiary	-	(21)
Reversal of impairment in subsidiaries	(214)	(86)
Provision for Russia market	-	429
Others	(60)	(3)
Cost of scrap sale of Passenger vehicle undertaking	9	301
Total	(1,591)	630

FY 2022-23

Defined benefit pension plan amendment past service cost

During FY 2022-23, Jaguar Land Rover has recognized a pension past service credit of ₹1,495 crores (€155million) due to change in inflation index from RPI to CPI.

Reversal of impairment in subsidiaries

As part of slump sale (passenger vehicle undertaking), the investments in wholly owned subsidiaries of the Company engaged in designing services namely Tata Motors European Technical Centre PLC (TMETC) and Trilix S.r.l (Trilix) have been transferred to Tata Motors Passenger Vehicle Limited, a wholly owned subsidiary of the Company, w.e.f. January 1, 2022. These subsidiaries were then transferred to Tata Passenger Electric Mobility Ltd., another wholly owned subsidiary of the Company. During the year ended March 31, 2023, the Company reassessed the recoverable value of assets belonging to Tata Motors European Technical Centre PLC (TMETC) and accordingly provision for impairment towards the assets is reversed amounting to ₹214 crores. (€23.57 million). During, the previous year the Company reassessed the recoverable value of TMETC business and accordingly reversed the provision of impairment of ₹38 crores (€3.8 million) and also reversed the impairment to the tune of ₹48 crores (€5.6 million) with respect to Trilix.

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

Due to quick migration of Indian Emission Regulations norms and limited market availability of new products, some of the Company's undergoing projects are delayed. Hence, the Company has made provision of ₹277 crores for intangible assets under development.

FY 2021-22

Provision for Russia market

₹429 crores (GBP 43 million) were in relation to customer liabilities arising from sanctions imposed against Russia by many countries, preventing the shipment of vehicles and certain parts to the market.

Cost of scrap sale of Passenger vehicle undertaking

Expenses in relation to transfer charges of land at Sanand and Pune for PV undertaking and stamp duty as per the scheme of arrangement.

Tax expenses / (credit)

Our income tax expenses were ₹704 crores in FY 2022-23, compared to ₹4,231 crores in FY 2021-22, resulting in consolidated effective tax rates of 20.0% and 60.4%, for FY 2022-23 and FY 2021-22, respectively. Tax rates applicable to individual entities increased to 36.5% for FY 2022-23, compared to 13.5% in FY 2021-22.

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

- During FY 2022-23, Tata Motors Limited recognised Deferred Tax Assets on previously unrecognised unused unabsorbed depreciation and long term capital losses incurred in the current year based on the probability of sufficient taxable profit in future periods, mostly those arising from planned divestments which will yield capital gains against which such unabsorbed depreciation and capital loss will be set off. Accordingly, ₹ 1,615 crores deferred tax has been recognised as at March 31, 2023.
- During FY 2022-23, Tata Motors Ltd utilized tax losses of ₹365 crores, whereas in FY 2021-22, business losses for Tata Motors Limited was offset against the capital gains on sale of PV Business and thus resulted in utilization of tax losses amounting to ₹585 crores. The tax losses utilized in FY 2021-22 for certain subsidiaries and joint operations was ₹183 crores as compared to ₹140 crores in FY 2021-22.
- In FY 2022-23, deferred tax assets not recognized because realization is not probable was ₹692 crores as compared to ₹3,528 crores in FY 2022-23. Of this, amount pertains to JLR GBP 34 million (₹345 crores) for FY 2022-23, as compared to GBP 331 million (₹3,380 crores) in FY 2021-22, mainly due to inability to recognize deferred tax assets arising in the years due to current UK loss profile.
- There is tax charge on undistributed earnings of subsidiaries amounting to ₹602 crores in FY 2022-23 as compared to ₹407 crores in FY 2021-22, due to increased profitability.
- During FY 2021-22, Tata Motors Ltd has transferred its Passenger Vehicle Business to a subsidiary on a slump sale basis as per defined under section 2(42C) of the Indian-tax Act, 1961. This has resulted in Capital gain tax of ₹1,283 crores. However, due to set-off of brought forward unabsorbed depreciation against the capital gains, there is no capital gains tax payable on the same.

Profit/(loss) after tax

Our consolidated net profit in FY 2022-23, excluding shares of non-controlling interests, is ₹2,414 crores, as compared to loss of ₹11,441 crores in FY 2021-22. 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 is profit of ₹3,482 crores in

FY 2022-23, compared to loss of ₹439 crores in FY 2021-22. During FY 2022-23, Jaguar Land Rover has recognized a pension past service credit of ₹1,495 crores (₹155million) due to change in inflation index from RPI to CPI.

- Earnings before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Tata Commercial Vehicles amounted to ₹3,693 crores in FY 2022-23, compared to ₹210 crores in FY 2021-22, primarily due to higher volumes and product mix.
- Earnings before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Tata Passenger Vehicles amounted to ₹542 crores in FY 2022-23, compared to loss of ₹660 crores in FY 2021-22, due to increased sales volume in cars and Utility Vehicle segment.
- Earnings before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Vehicle Financing amounted to ₹1,499 crores in FY 2022-23, compared to ₹2,466 crores in FY 2021-22. Profit was reduced mainly due to higher provisioning of impairment of vehicle loans.

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

In FY 2022-23, our share of equity-accounted investees reflected a profit of ₹336 crores, compared to loss of ₹74 crores in FY 2021-22. Our share of profit (including other adjustments) in the China Joint Venture in FY 2021-22 was of ₹144 crores, compared to loss of ₹206 crores in FY 2021-22. Further profits were increased mainly due to profits of ₹192 crores in other immaterial associates mainly Tata Autocomp Systems Ltd. and Tata Hitachi Construction Machinery Company Ltd in FY 2022-23. The profit was mainly due to increase in sales volumes and better business performance.

The share of non-controlling interests in consolidated subsidiaries was increased to ₹276 crores in FY 2022-23 from ₹133 crores in FY 2021-22, mainly due to increased profits of Tata Technologies.

B. Balance Sheet

Below is a discussion of major items and variations in our consolidated balance sheet as at March 31, 2023, and 2022, included elsewhere in this annual report.

₹ in crores

	As at March 31,		Change	Translation of JLR	Net Change
	2023	2022			
ASSETS					
(a) Property, plant and equipment and intangible assets	1,45,514	1,48,299	(2,786)	2,519	(5,305)
(b) Goodwill	841	807	33	-	33
(c) Investment in equity accounted investees	4,676	4,349	326	73	253
(d) Financial assets	1,18,279	1,22,867	(4,589)	1,192	(5,781)
(e) Deferred tax assets (net)	5,185	3,871	1,314	79	1,235
(f) Current tax assets (net)	1,816	1,457	359	3	356
(g) Other assets	18,189	13,205	4,984	299	4,686
(h) Inventories	40,755	35,240	5,515	719	4,796
(i) Assets classified as held-for-sale	828	524	304	14	290
TOTAL ASSETS	3,36,081	3,30,620	5,461	4,899	562
EQUITY AND LIABILITIES					
EQUITY	52,600	48,832	3,767	942	2,826
LIABILITIES					
(a) Financial liabilities:	2,35,516	2,35,953	(437)	3,110	(3,547)
(b) Provisions	25,007	23,722	1,285	487	798
(c) Deferred tax liabilities (net)	1,407	1,558	(151)	28	(180)
(d) Other liabilities	20,297	19,297	1,001	307	693
(d) Current tax liabilities (net)	1,254	1,254	0	24	(24)
(e) Liabilities directly associated with Assets held-for-sale	-	3	(3)	-	(3)
TOTAL LIABILITIES	2,83,482	2,81,788	1,694	3,958	(2,264)
TOTAL EQUITY AND LIABILITIES	3,36,081	3,30,620	5,461	4,899	562

Our total assets were ₹3,36,081 crores and ₹3,30,620 crores as at March 31, 2023, and 2022, respectively. The increase by 1.7% in assets as at March 31, 2023, considers favourable foreign currency translation from GBP into Indian rupees as described below.

Our total current assets were flat at ₹1,51,528 crores as at March 31, 2023, compared to ₹1,46,978 crores as at March 31, 2022.

Cash and cash equivalents decreased by 16.4% to ₹31,887 crores as at March 31, 2023, compared to ₹38,159 crores as at March 31, 2022. 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, 2023, Jaguar Land Rover held the GBP 2,248 million equivalent of ₹22,852

crores, which consists of surplus cash deposits for future use. As at March 31, 2023, we had short-term deposits of ₹4,487 crores, compared to ₹2,038 crores as at March 31, 2022, increase of 120.2%, due to increase in the value of deposits invested over a term of three months or longer mainly at Tata Passenger Electric Mobility Limited.

As at March 31, 2023, we had finance receivables, including the non-current portion (net of allowances for credit losses), of ₹30,834 crores, compared to ₹33,231 crores as at March 31, 2022, a decrease of 7.2%, due to lower financing during the year. Gross finance receivables were ₹32,741 crores as at March 31, 2023, compared to ₹35,039 crores as at March 31, 2022. Vehicle financing is integral to our automotive operations in India.

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Trade receivables (net of allowance for doubtful receivables) were ₹15,738 crores as at March 31, 2023, representing increase of 26.5% over March 31, 2022. There was favourable foreign currency translation of ₹225 crores from GBP to Indian rupees. Trade receivables at Tata and other brand vehicles (including vehicle finance) increased by 1.4% to ₹4,813 crores as at March 31, 2023, from ₹4,748 crores as at March 31, 2022, primarily on account of higher sales volume due to pent up demand. The trade receivables of Jaguar Land Rover were ₹10,229 crores as at March 31, 2023, compared to ₹7,183 crores as at March 31, 2022, and increase of 43.4%. The past dues for more than six months (gross) decreased from ₹1,503 crores as at March 31, 2023 to ₹1,441 crores as at March 31, 2022. These mainly represent dues from government-owned transport undertakings and Passenger Vehicle dealers, for which we are pursuing recovery.

As at March 31, 2023, inventories were at ₹40,755 crores, compared to ₹35,240 crores as at March 31, 2022, an increase of 15.6%. The increase in finished goods inventory was ₹5,286 crores from ₹23,885 crores as at March 31, 2022, to ₹29,171 crores as at March 31, 2023, mainly due to an increase in volumes both at Tata Motors and Jaguar Land Rover. This increase was also due to favourable currency translation of ₹719 crores from GBP to Indian rupees. In terms of number of days to sales, finished goods represented 20 inventory days in sales in FY 2022-23, compared to 31 inventory days in FY 2021-22.

Our investments (current and non-current investments) decreased to ₹21,704 crores as at March 31, 2023, from ₹25,030 crores as at March 31, 2022, representing an increase of 13.2%. Our investments mainly comprise mutual fund of ₹18,704 crores as at March 31, 2023, compared to ₹21,972 crores as at March 31, 2022. Investments attributable to Jaguar Land Rover were ₹15,065 crores as at March 31, 2023, compared to ₹16,518 crores as at March 31, 2022, a decrease of 8.8% mainly on account of mutual fund. Tata Motors Limited on Standalone basis has investments in mutual funds of ₹3,143 crores as at March 31, 2023, compared to ₹5,143 crores as at March 31, 2022.

Our other assets (current and non-current) increased by 37.7% to ₹18,189 crores as at March 31, 2023, from ₹13,205 crores as at March 31, 2022.

Our other financial assets (current and non-current) increased to ₹9,814 crores as at March 31, 2023, from ₹8,979 crores as at March 31, 2022. This increase is mainly due to deposits of surplus cash of Tata Passenger Electric Mobility limited with financial institution amounting to ₹900 crores as at March 31, 2023.

Income tax assets (both current and non-current) increased by 24.6% to ₹1,816 crores as at March 31, 2023, from ₹1,457 crores as at March 31, 2022. Tata Passenger Electric Mobility Limited, Tata Motors Passenger Vehicles Limited, Tata Motors Limited and TMF Group.

Property, plants and equipment (net of depreciation) decreased by 5.3% from ₹80,900 crores as at March 31, 2022, to ₹76,641 crores as at March 31, 2023. The decrease is partly offset by favourable foreign currency translation of ₹1,211 crores from GBP to Indian rupees. After adjusting for the foreign currency translation impact, decrease of ₹5,470 crores is mainly due to lower addition during the year as compared to previous year.

Goodwill as at March 31, 2023, was ₹841 crores, compared to ₹807 crores as at March 31, 2022. 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 2.3% from ₹57,184 crores as at March 31, 2022, to ₹55,851 crores as at March 31, 2023. This decrease is mainly due to amortization charge for the year and lower capitalization of product development costs. This decrease is partially offset by favourable foreign currency translation of ₹1,080 crores from GBP to Indian rupees. As at March 31, 2023, there were product development projects in progress amounting to ₹9,055 crores compared to ₹6,722 crores as at March 31, 2022.

The carrying value of investments in equity-accounted investees increased by 7.5% to ₹4,676 crores as at March 31, 2023, from ₹4,349 crores as at March 31, 2022. The value of investments in equity-accounted investees increased mainly due to profit for the year FY 2022-23 from the associates and joint ventures.

A deferred tax asset (net) of ₹2,554 crores was recorded in our income statement and a deferred tax liability of ₹964 crores in other comprehensive income which mainly includes ₹1,123 crores towards cash flow hedges in FY 2022-23. The net deferred tax asset of ₹1,590 crores was recorded as at March 31, 2023, compared to net deferred tax liability ₹652 crores as at March 31, 2022.

Accounts payable (including acceptances) were ₹79,214 crores as at March 31, 2023, compared to ₹69,750 crores as at March 31, 2022, an increase of 13.6%, reflecting increase in operations at Jaguar land Rover and an unfavourable foreign currency translation of ₹1,237 crores from GBP to Indian rupees.

Other financial liabilities (current and non-current) were ₹22,151 crores as at March 31, 2023, compared to ₹19,754 crores as at March 31, 2022 (net of unfavourable currency translation impact of ₹407 crores), reflecting liabilities towards vehicles sold under repurchase arrangements, derivative instruments, and interest accrued but not due on loans and lease liabilities. Liability toward vehicles sold under repurchasing arrangements increased to ₹3,022 crores as at March 31, 2023, from ₹2,658 crores as at March 31, 2022, mainly due to increase in the repurchase business at Jaguar Land Rover. Further Derivative financial instruments (representing options and other hedging arrangements, mainly related to Jaguar Land Rover) increased by 24.3% to ₹9,766 crores as at March 31, 2023, from ₹7,859 crores as at March 31, 2022.

Provisions (current and non-current) increased by 6% to ₹25,007 crores as at March 31, 2023, from ₹23,722 crores as at March 31, 2022. Provisions for warranties increased by 4.3% or ₹758 crores to ₹18,492 crores as at March 31, 2023, compared to ₹17,734 crores as at March 31, 2022 mainly at Jaguar Land Rover increased from GBP 1630 million to GBP 1,672 million as at March 31, 2023. Provision for emission has increased from ₹255 crores to ₹325 crores as March 31, 2023.

Other liabilities (current and non-current) increased by 5.2% to ₹20,297 crores as at March 31, 2023, compared to ₹19,297 crores as at March 31, 2022.

Our total debt was ₹1,25,660 crores as at March 31, 2023, compared to ₹1,39,677 crores as at March 31, 2022, a decrease of 10.0%. It includes an unfavourable currency translation of ₹1,335 crores from GBP to Indian rupees. Short-term debt (including the current portion of long-term debt) decreased to ₹36,965 crores as at March 31, 2023, compared to ₹41,918 crores as at March 31, 2022. Long-term debt (excluding the current portion) decreased by 9.3% to ₹88,696 crores as at March 31, 2023, from ₹97,759 crores as at March 31, 2022. Long-term debt (including the current portion) decreased by 8.75% to ₹1,11,594 crores as at March 31, 2023, compared to ₹122,299 crores as at March 31, 2022.

Total equity was ₹52,600 crores as at March 31, 2023, and ₹48,832 crores as at March 31, 2022, respectively.

Equity attributable to shareholders of Tata Motors Limited increased to ₹45,322 crores as at March 31, 2023, compared to ₹44,561 crores as at March 31, 2022. This increase was mainly due to profit of ₹2,414 crores in FY 2022-23. Further, hedging reserve loss of ₹1,356 crores compared to loss of ₹6,938 crores, currency translation reserve gain of ₹723 crores compared to loss of ₹111 crores.

C. Cash Flow

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

(₹ in crores)

	FY 2022-23	FY 2021-22	Change
Cash from operating activity	35,388	14,283	21,105
Profit/Loss for the year	2,690	(11,309)	
Adjustments for cash flow from operations	39,004	38,252	
Changes in working capital	(3,127)	(10,750)	
Direct taxes paid	(3,179)	(1,910)	
Cash from investing activity	(16,804)	(4,775)	(12,029)
Payment for Assets	(18,647)	(14,938)	
Net investments, short term deposit, margin money and loans given	801	9,478	
Dividend and interest received	1,042	685	
Net Cash from / (used in) Financing Activities	(26,243)	(3,380)	(22,863)
Proceeds/(buy back) from issue of share to minority shareholders	(395)	-	
Dividend Paid (including paid to minority shareholders)	(141)	(100)	
Interest paid	(9,336)	(9,251)	
Net Borrowings (net of issue expenses)	(16,371)	5,971	
Net increase / (decrease) in cash and cash equivalent	(7,659)	6,128	(13,787)
Cash and cash equivalent, beginning of the year	38,159	31,700	
Effect of exchange fluctuation on cash flows	1,387	331	
Cash and cash equivalent, end of the year	31,887	38,159	(6,272)
Free Cash flow*	9,237	(9,254)	17,654

*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, excluding M&A linked asset purchase 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.

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Cash and cash equivalents decreased by ₹6,272 crores in FY 2022-23 to ₹31,887 crores from ₹38,159 crores in FY 2021-22. The decrease in cash and cash equivalents resulted from the changes to our cash flows in FY 2022-23 when compared to FY 2021-22 as described below.

Net cash provided by operating activities totalled ₹35,388 crores in FY 2022-23, an increase of ₹21,105 crores, compared to ₹14,283 crores in FY 2021-22. The net profit for the FY 2022-23 is ₹2,690 crores, compared to the loss of ₹11,309 crores in FY 2021-22. The cash flows from operating activities before changes in operating assets and liabilities is of ₹41,694 crores in FY 2022-23, compared to ₹26,943 crores in FY 2021-22. The changes in operating assets and liabilities resulted in a net outflow of ₹3,127 crores in FY 2022-23, compared to ₹10,750 crores in FY 2021-22.

In FY 2022-23, the net inflow in vehicle finance receivables was ₹617 crores compared to a net outflow of ₹76 crores in FY 2021-22. For Tata Commercial Vehicles and Tata Passenger Vehicles there was an inflow of ₹134 crores in FY 2022-23 on account of changes in operating assets and liabilities, compared to ₹3,755 crores in FY 2021-22. For Jaguar Land Rover brand vehicles, there was a net outflow of cash on account of changes in operating assets and liabilities accounting to ₹3,475 crores in FY 2022-23, compared to ₹13,830 crores in FY 2021-22.

Income tax paid has increased to ₹3,179 crores in FY 2022-23, compared to ₹1,910 crores in FY 2021-22, 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 ₹16,804 crores in FY 2022-23, compared to ₹4,775 crores for FY 2021-22, an increase of ₹12,029 crores.

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 2022-23	FY 2021-22
Tata Commercial Vehicles & Tata Passenger Vehicles	5,056	2,902
Jaguar Land Rover	13,591	11,974
Total	18,647	14,876

Jaguar Land Rover had positive free cash flow of GBP 521 million in FY 2022-23, after total investment spending of GBP 1.4 billion. In FY 2022-23, payments for capital expenditures at Jaguar Land Rover decreased by 13.3% to ₹13,591 crores from ₹11,999 crores in FY 2021-22. Investment spending in FY 2022-23 was GBP 2.4 billion (10.3% of revenue), higher than GBP 2.0

billion (11.1% of revenue) in the prior year. Of the GBP 2.4 billion investment spending, GBP 966 million was expensed through profit and loss statement and the remaining GBP 1.4 billion was capitalised.

Further, in FY 2022-23, payments for capital expenditures at Tata Commercial Vehicles and Tata Passenger Vehicles increased to ₹4,942 crores from ₹2,902 crores in FY 2021-22. These capital expenditures are related to new products under development. Payment for acquisition of Ford plant by Electric vehicle was ₹836 crores.

Our net investment in short-term deposit margin moneys and loans resulted in an inflow of ₹487 crores in FY 2022-23, compared to inflow of ₹9,478 crores in FY 2021-22. This is mainly due to lower realisation of fixed deposit in FY 2022-23, compared to FY 2021-22.

Net cash outflow from financing activities totalled ₹26,243 crores in FY 2022-23, compared to ₹3,380 crores in FY 2021-22. Net repayment of borrowings (net of issue expenses) done during FY 2022-23 of ₹18,623 crores, compared to a net proceed of ₹5,971 crores during FY 2021-22. For Tata Commercial Vehicles and Tata Passenger Vehicles excluding vehicle financing, the short-term debt (net) decreased by ₹1,973 crores, whereas long-term debt (net) decreased by ₹4,261 crores, due to repayments. There was a decrease in debt (short-term and long-term) of ₹2,499 crores in FY 2022-23 at Vehicle Financing, compared to ₹76 crores in FY 2021-22 on account of repayments.

For Jaguar Land Rover, short term debt decreased to GBP 1,478 million in FY 2022-23 (GBP 1,779 million in FY 2021-22) however, Long-term debt (excluding lease liabilities) increased to GBP 4,600 million in FY 2022-23 (GBP 5,248 million in FY 2021-22), including repayment of US\$500 million & GBP 400 million bond and GBP 125 million of the UKEF-backed loan which amortized over the course of the year. As at March 31, 2023, the Group has a fully undrawn revolving credit facility of GBP 1,520 million (2022: GBP 2,015 million). The facility was renewed on December 16, 2022 with a new maturity date of April 2026 and includes a covenant requiring the Group to maintain a minimum quarter-end liquidity of GBP 1 billion. Lease obligations payments totalled GBP 72 million in FY 2022-23 compared to GBP 71 million in FY 2021-22.

Interest paid in FY 2022-23 was ₹9,335 crores, compared to ₹9,251 crores in FY 2021-22. For Jaguar Land Rover, interest paid was ₹4,288 crores in FY 2022-23, compared to ₹3,454 crores in FY 2021-22 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 the COVID-19 pandemic. For Tata Commercial Vehicles and

Tata Passenger Vehicles, interest paid was ₹2,090 crores in FY 2022-23, compared to ₹2,744 crores in FY 2021-22. For Vehicle Financing, interest paid was ₹2,502 crores in FY 2022-23, compared to ₹3,053 crores in FY 2021-22.

D. KEY FINANCIAL RATIOS

The details of significant changes (25% or more) in the key financial ratios in FY 2022-23 compared to FY 2021-22 is as follows:

Particulars	Year ended Mar 31,		Change	Favourable/ Unfavourable	Reason for change
	2023	2022			
Debt Equity Ratio (number of times)	2.77	3.13	(11.5%)	Favourable	With the reduction in total debt during the year and increase in shareholders' equity on account of profit during the year, the ratio has decreased compared to previous year
Debt Service Coverage Ratio (number of times)	0.23	0.04	475.0%	Favourable	Due to repayment of borrowings in current year as compared to net proceeds from borrowings in previous year
Interest Service Coverage Ratio (number of times)	1.17	0.19	515.8%	Favourable	Due to higher Earnings before finance costs, exceptional items and Tax.
Current ratio (number of times)	0.98	0.98	0.0%	Favourable	
Long term debt to working capital (number of times)	5.30	5.42	(2.2%)	Favourable	
Debtors' turnover (in times)	24.25	21.84	11.0%	Unfavourable	
Inventory turnover (in times)	5.96	5.07	17.6%	Unfavourable	
Operating margin (%)	9.2%	8.7%	5.9%	Favourable	
Net profit margin (%)	0.8%	(4.1%)	(119.1%)	Favourable	Due to net profit after tax during the year

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,	
	2023	2022
Short-term debt (excluding current portion of long-term debt)	14,067	17,378
Current portion of long-term debt	22,898	24,539
Long-term debt net of current portion	88,696	97,759
Total Debt	1,25,660	1,39,677

During FY 2022-23 and FY 2021-22, the effective weighted average interest rate on our long-term debt was 5.77% and 5.23% 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, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Details of Long-term debt	Currency	Initial Principal amounts (millions)	Redeemable On	Interest Rate	Amount Repaid during FY 2022-23 (₹ crores)	Outstanding (₹ crores)	
						31-03-2023	31-03-2022
Non-convertible debenture	₹			Various		13,061	14,831
Collateralized debt Obligations	₹			Various		75	1,183
Buyers from credit bank	Various			Various		-	4,058
Loans from banks/financial institutions	Various			Various		45,225	44,250
Compulsory convertible Preference shares	₹			Various		11	11
Others	₹			Various		276	344
Senior Notes							
Tata Motors Limited	US\$	250	due 2024	5.750%		2,043	1,877
Tata Motors Limited	US\$	300	due 2025	5.875%		2,466	2,274
TML Holdings Pte. Limited	US\$	425	due 2026	5.350%		3,486	3,199
Jaguar Land Rover	US\$	500	due 2023	5.625%	3,777	-	3,777
Jaguar Land Rover	GB£	400	due 2023	3.875%	3,972	-	3,972
Jaguar Land Rover	US\$	500	due 2027	4.500%		4,086	3,762
TML Holdings Pte. Limited	GB£	98	due 2023	4.000%		988	960
TML Holdings Pte. Limited	US\$	300	due 2024	5.500%		2,466	2,261
Jaguar Land Rover	EU€	500	due 2029	5.500%		4,081	3,757
Jaguar Land Rover	US\$	700	due 2025	7.750%		5,715	5,256
Jaguar Land Rover	US\$	650	due 2028	5.875%		5,298	4,874
Jaguar Land Rover	EU€	500	due 2024	5.875%		4,457	4,198
Jaguar Land Rover	EU€	500	due 2028	4.500%		4,444	4,189
Jaguar Land Rover	EU€	650	due 2024	2.200%		5,807	5,473
Jaguar Land Rover	EU€	500	due 2026	4.500%		3,109	3,537
Jaguar Land Rover	EU€	500	due 2026	6.875%		4,500	4,256
Total Long-term debt					7,749	1,11,594	1,22,299

The following graph 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, 2023.



- Including interest.
- As at March 31, 2023, Jaguar Land Rover's long-term debt obligations were senior notes and bank loans of ₹55,099 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,	
	2023	2022
Total cash and cash equivalent	31,558	38,159
Total short-term deposits	4,817	2,038
Total mutual fund investments	18,704	21,972
Total liquid assets	55,078	62,169

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 ₹38,547 crores and ₹43,859 crores as of March 31, 2023, and 2022, 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 ₹38,000 crores in property, plants and equipment and product development during FY 2023-24.

We will step-up our investments for domestic business to cater to increasing demand, launch new products and technologies and explore new business avenues. Jaguar Land Rover has Investment plans of £15 billion over five years in its industrial footprint, vehicle programmes, autonomous, AI and digital technologies and people skills, as a part of its reimagine strategy. Tata Motors Limited (TML) and Tata Motors Passenger Vehicles Limited (TMPVL) expects to meet the investments primarily out of their own operating cash flows. Capital investments in Tata Passenger Electric Mobility Limited (TPEML) will be largely funded from the funds received from TPG Rise Climate in line with the strategy roadmap set. Any additional funding requirements if needed, can be met through loans and other debt from time to time. Despite step-up in the investments, we are expecting our business to be self-sustaining, and we aim to get to turn net cash positive by Fiscal 2025.

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 ₹7,840 crores compared to negative ₹9,472 crores in FY 2021-22. This is mainly on account of improvements in cash profit and working capital.

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, 2023: 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, 2023, was as follows.

Rating agency	Long-term borrowings	Short-term borrowings
CARE	AA- / Stable	A1+
ICRA	AA- / Positive	A1+
CRISIL	AA- / Stable	A1+
S&P	BB- / Stable	-
Moody's	BI / Stable	-

Subsequently, S&P upgraded the long-term issuer and issue credit rating on Tata Motors Limited to BB/Stable from BB-/Stable in April 2023.

As at March 31, 2023, JLR's rating was "BI" / Stable by Moody's, "B+" / Stable by Standard & Poor's. Subsequently, in April 2023, S&P upgraded the credit rating to BB-/Stable.

As at March 31, 2023, for TMFHL and its subsidiaries, CRISIL, ICRA and CARE rating on long- term debt instruments and long-term bank facilities stood at "AA -/ 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 the COVID-19 pandemic, supply chain disruptions 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.

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 2021-22 and FY 2022-23. Details of major funding during FY 2021-22 and FY 2022-23 are provided below.

During FY 2021-22, Tata Motors raised unsecured term loans amounting to ₹1,000 crores from Banks for general corporate purpose and funding capital requirements. Tata Motors Limited also raised ₹1,000 crores through unsecured, rated, listed NCD's. During FY 2021-22, Tata Motors Limited prepaid ₹600 crores of secured term loan.

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During FY 2021-22, TMFHL and its subsidiaries (TMF Group), raised ₹5,005 crores by issuing debentures (including Hybrid and non-hybrid Perpetual NCDs). Total issuance through Hybrid Perpetual NCDs was ₹935 crores. Bank borrowings continued to be a major source for long-term borrowing and raised ₹7,975 crores during FY 2021-22.

In July 2021, Jaguar Land Rover Automotive Plc issued \$500 million senior notes due in 2029 at a coupon of 5.50% per annum and EUR 500 million senior notes due 2028 at a coupon rate of 4.5%. The proceeds were for general corporate purposes.

In February 2022, the GBP 400 million senior notes with a coupon of 5% issued by Jaguar Land Rover Automotive Plc in January 2014 matured and were fully repaid.

In June 2021, TML Holding Pte Limited has issued USD 425 million (₹3,107 crores) senior notes with a coupon rate of 4.35% due in 2026. The proceeds have been used towards refinancing and meeting general corporate purposes.

In June 2021, Tata Motors Limited issued E 30-A Series of 5,000 Rated, Listed, Unsecured, 6.60% Coupon, Redeemable, Non-Convertible Debentures of ₹500 crores, on private placement basis.

In July 2021, Tata Motors Limited issued E 30-B Series of 5,000 Rated, Listed, Unsecured, 6.95% Coupon, Redeemable, Non-Convertible Debentures of ₹500 crores, on private placement basis.

In December 2021, Jaguar Land Rover took GBP 625 million five-year amortising loan (backed by a UKEF guarantee). As at March 31, 2023, total amount outstanding in respect of the five-year amortising loan facilities of GBP 625 million taken in October 2019 and above-referenced facility of GBP 625 million taken in December 2021, stood at GBP 662 million with GBP 250 million repayment in FY 2022-23.

In FY 2022-23, Tata Motors Limited did not raise any new long-term borrowings.

In FY 2022-23, Tata Motors Limited prepaid the balance outstanding of secured term loan from Financial Institution (₹3,000 crores availed in June 2020) and Bank Term Loan (₹500 crores availed in April 2019).

In February 2023, the US\$500 million senior notes with a coupon of 5.625% issued by Jaguar Land Rover Automotive Plc in January 2013 matured and were fully repaid. In March 2023, the GBP 400 million senior notes with a coupon of 3.875% issued by Jaguar Land Rover Automotive Plc in February 2015 matured and were fully repaid.

During FY 2022-23, TMFHL and its subsidiaries (TMF Group), raised ₹1,660 crores by issuing debentures (including Hybrid Perpetual NCDs). Total issuance through Hybrid Perpetual NCDs was ₹360 crores. Bank borrowings continued to be a major source for long-term borrowing and raised ₹872 crores during FY 2022-23.

In October 2022, TML Holdings Pte Ltd raised GBP 375 million syndicated loan facility for 5-year bullet maturity at the interest rate of SONIA + spread of 180 bps. The proceeds were used to prepay existing loan of GBP 225 million which were due in July 2023.

The Company at its Board meeting held on October 12, 2021, approved the incorporation of a wholly owned subsidiary ("TML EV Co") to undertake its passenger electric mobility business and executed a Securities Subscription Agreement with India Markets Rio Pte Ltd, an entity affiliated with TPG Rise Climate (the climate investing strategy of TPG's global impact investing platform TPG Rise) for an aggregate investment of ₹7,500 crores in TML EV Co over the period of 18 months from the date of completion of the first tranche. Accordingly, Tata Passenger Electric Mobility Limited (TPEML) is formed on December 21, 2021. The Proposed Transaction involves the primary investment of ₹7,500 crores by TPG Rise Climate in TPEML in tranches; and issuance and allotment of compulsorily convertible preference shares, having face value of ₹1,000 each, by TPEML to TPG Rise Climate in lieu of such investment. The investment is by issuance and allotment of compulsorily convertible preference shares, having face value of ₹1,000 each, by the Company to TPG Rise Climate. The total amount of investment of ₹7,500 crores is bifurcated into two instruments CCPS A1 and CCPS A2 of investment of ₹5,000 crores and investment of ₹2,500 crores, respectively. The remittance of the first tranche of ₹3,750 crores (50% of each instrument) has been received on March 29, 2022, and the second tranche on January 31, 2023.

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.

For various repayments made during FY 2022-23, refer "summary of long-term debt outstanding as of March 31, 2023" in Principal Sources of Funding Liquidity.

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 ₹13,230 crores and ₹17,378 crores as of March 31, 2023, and 2022, respectively.

On January 1, 2022, we transferred our Passenger Vehicles business to TMPVL, a wholly owned subsidiary. Accordingly, the working capital limits for Tata Motors Limited were reduced to ₹7,000 crores and we entered into facility with a consortium bank for ₹3,000 crores working capital limits for TMPVL. The unutilized working capital Limits for TMPVL were ₹ 2,779 crores as at March 31, 2023. As at March 31, 2023, the unutilized working capital limits for Tata Motors Limited were at ₹4,724 crores. The working capital limit are secured by hypothecation of existing current assets, 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 are renewed annually.

For Jaguar Land Rover, the unutilized revolving credit facility was GBP 1.52 billion as at March 31, 2023. In our opinion, our working capital facilities and short-term borrowings are sufficient for the Company's present requirements.

As at March 31, 2023, Jaguar Land Rover Limited had sold receivables of GBP 373 million equivalent under the approximately US\$500 million committed invoice discounting facility, which was renewed for another two years in March 2023. Under the terms of this facility receivables are accounted as sold (through trade receivables in working capital) and therefore not accounted as debt under IFRS.

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.

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. For FY 2022-23, the Company is in compliance with all the covenants. In one of our subsidiaries, we could not meet certain covenants and have obtained a waiver for FY 2022 -23. The outstanding term loan as at March 31, 2023, is ₹15 crores.

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 facilities (and the GBP 1.52 billion extended revolving credit facility, restrictions or limitations on the amount of cash that may be transferred outside of the Jaguar Land Rover Group in the form of dividends, loans or investments to TML and its subsidiaries. These are referred to as "restricted payments" in the relevant Jaguar Land Rover financing documentation. In general, the amount of cash which may be transferred as restricted payments from the Jaguar Land Rover Group to the Company and its subsidiaries is limited to 50% of its cumulative consolidated net income (as defined in the relevant financing documentation) from January 2011. As at March 31, 2023, the estimated amount that is available for dividend payments, other distributions and restricted payments was approximately GBP 4.4 billion.

(ii) Capital Expenditures

Capital expenditures totalled ₹18,543 crores and ₹14,907 crores during FY 2022-23 and FY 2021-22, respectively. Our automotive operations accounted for most of such capital expenditures. We currently plan to invest around ₹38,000 crores in FY 2023-24 in new products and technologies.

Our capital expenditures in India for Commercial Vehicles and Passenger Vehicles business during FY 2022-23 related mostly to (i) the introduction of new products, such as the Tata Punch, Tiago and Tigor CNG, Altroz DCA, Tata 407 CNG, ACE Petrol and wide range of commercial vehicles (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 2022-23 was GBP 2.4 billion, primarily reflecting the product launches and refreshes, as well as towards electrification platforms, architectures and investments in future BEV's as a part of Reimagine Strategy.

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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 value in use. 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 statement of profit and loss.

Finance receivables

We provide allowances for losses on portfolio of finance receivables on the basis of expected future collection from receivables. The future collection is 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 entirely 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 program towards Sarbanes-Oxley Act, as required by the listing requirements at New York Stock Exchange and also as required under the Companies Act, 2013;
- Robust 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

MANAGEMENT DISCUSSION AND ANALYSIS

approved by the Audit Committee; and Anti-fraud programs including whistle blower mechanisms are operative across the Company;

- Adopted three Line Of Defence model. The 1st line of defence, ensures implementation of desired Internal Controls and Risk Management practices. The 2nd line of defence assist in determination of Risk Capacity, Appetite, Process and Procedures and facilitate oversight, monitoring and reporting on Risk and Controls. The 3rd line of defence is the internal audit, which provides Independent and Objective assurance to the Audit Committee on overall effectiveness of Risk Management, Internal Control and Compliance activities and recommendations on improvements required;
- An ongoing program, 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.

The Board takes responsibility for the overall process of risk management throughout the organization. Through an Enterprise Risk Management program, 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 2022-23, 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, 2023, is effective.

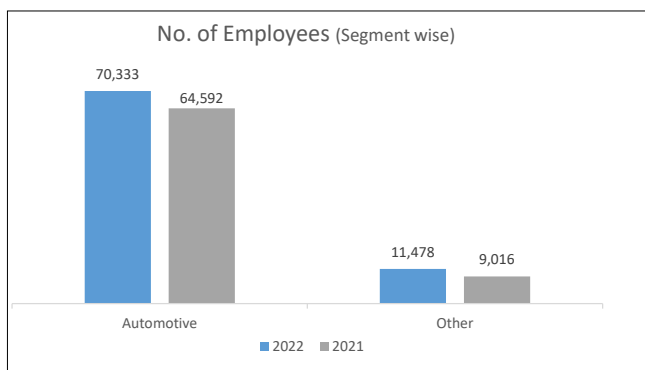
HUMAN RESOURCES / INDUSTRIAL RELATIONS

Our people are our best assets. Their caliber and commitment are our inherent strength. With the singular objective of always being the employer of choice in the Indian auto industry, we are encouraging our employees to discover and realize their true potential. Acquiring diverse experiences, accomplishing challenging tasks and continually learning and upskilling is enabling them to deliver their best. By identifying, developing and nurturing quality talent at every stage of the employee lifecycle, we are empowering them to become future ready and build rewarding careers. Keeping employee wellbeing foremost, we have embraced the post-pandemic way of life and work. By institutionalizing hybrid mode of working, digitizing processes, refreshing our culture, we are collectively fostering new ways of working. Future ready trails of agility, digital mindset and customer centricity are being consciously imbibed, both in thought and action, at every level across the organization. Richer collaborations and stronger teamwork have accelerated our pursuit of excellence.

Building a Strong Workforce

We employed approximately 81,811 and 73,608 permanent employees as of March 31, 2023 and 2022, respectively. The average number of flexible (temporary, trainee and contractual) employees for FY 2022-23 was approximately 36,082 compared to 40,717 (including joint operations) in FY 2021-22. We have a healthier gender diversity with 8.79% of our workforce comprising of women employees.

The following graph presents the breakdown of persons employed by the Company’s business segments as of the following dates.



Culture

Culture is a key enabler to optimize potential, retain and also attract top talent to fuel performance within the organization. The collective desire to become more agile and future ready necessitated a refresh of the organizational culture. Following an intense process of co-creation wherein thoughts, opinions, perspectives and aspirations of every employee were heard, a new Culture Credo, summarized as – More When One with its four culture pillars – Be Bold, Solve Together, Own it & Be Empathetic, was launched. These culture pillars were further defined through eight distinct leadership behaviors – Agility, Risk taking, Owner's Mindset, Empowerment, Collaboration, Accountability, Embrace Diversity and Passion for Customers. A high impact launch, followed by consistent and conscious efforts to accelerate the Culture Transformation journey with active employee participation has resulted in improvement in overall employee engagement scores.

Capability Development

Committed to empowering our employees, we are fostering their development by strengthening their functional, managerial and leadership capabilities to make them future-fit. With volatility rising in the external environment, a holistic approach has been adopted to proactively identify and address all potential capability gaps. Tata Motors Academy designs and creates appropriate functional training modules to address the development needs of the various segments of our workforce. The academy focuses on three functional pillars – Customer Excellence, Product Leadership, Operational Excellence and Management Education. The emphasis of the functional academies is to reinforce knowledge, skills and expertise with a structured and in-depth approach, within the respective function:

- The Product Leadership Academy, Operational Excellence Academy and Customer Excellence Academy are designing and deploying the courses and learning programs for our employees in Engineering, Operations, and Customer facing functions, focused on the organization's technical roadmap on Connected, Electric, Shared & Safe vehicles (CESS), as well as domain capabilities in respective functional areas.
- The Customer Excellence Academy ensures 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. We also launched the 'Re-imagining PV front-end' dealership program, a targeted intervention to train and mobilize the workforce responsible for delivering the last mile customer experience.

→ The Management Excellence Academy provides executive management education opportunities in the areas of B.Tech, M.Tech, and Executive MBA to develop general management education. The Academy also focusses on developing Professional and Growth leadership skill for staff. Programs for First Time Managers, People Managers, for Hiring Managers, Promotees are some of the interventions driven by this Academy.

→ By embracing digital, the academy has also embarked upon a decisive journey of curated functional e-learning journeys for all its employees. This includes e-learning and virtual classrooms, which augments the offering of functional as well as management education pillars.

TALENT MANAGEMENT

Healthy succession pipeline and leadership capabilities is the focus such that we create a Talent Factory across employee levels of the Organization. Our annual Organizational & Talent Review process and a robust Succession planning exercise ensures that we maintain a healthy succession pipeline of critical and leadership roles. This enables us to identify, groom and develop potential candidates across the organization. Comprehensive leadership development approach is established based on talent assessments and identification process. Basis the developmental needs identified, developmental programs are tailored to the requirements in partnership with a top ranked global business schools and esteemed knowledge partners like Tata Management Training Center (TMTC) as well as external partners. To cite examples, Leadership Trails curated for Senior Leadership of Tata Motors in collaboration with TMTC and global institutions of repute. Another example is that of Inner Circle, a developmental program for our best mid-level and junior management talent has also been introduced in collaboration with a marquee academic institution. To provide employees with growth opportunities across functions, locations and business units, we encourage internal mobility of our talent through job rotations and 'Career Explore' – our internal job posting portal.

Skill Development

The endeavor to deliver high quality products by enhancing our craftsmanship and improving manufacturing and assembly processes continues with a greater thrust. To address the rapid technology disruptions and changing market dynamics, we have developed the 'Future of Workplace' strategy. It provides our workforce with new skills such as High Voltage (Electric Vehicles), Mechatronics (Industry 4.0), Auto Electronics and Vehicle Communication.

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We are actively reskilling our permanent workforce in these newer technology areas. In parallel, we are also developing a young, skilled, agile and digital enabled workforce through our company's flagship full-time apprenticeship program (new craftsman trades) and the Earn and Learn NEEM program. We recruit talent from the finest training institutes. Beyond core trade-based skills, we focus and train our technicians in very specific skills to achieve world-class quality, best-in-class know-how and high productivity levels.

Talent attraction at JLR

Software is essential for us to deliver next-generation automated driving systems, digital services, and experiences for clients. ADAS (Advanced Driver Assistance Systems) and autonomous driving skills have been identified as critical to this ambition, but are a sought-after skill set in the market. To attract these skills, and compete with other industries, we have expanded our global operational footprint in Germany, Italy and Spain, in addition to existing hubs in Manchester, Ireland, Hungary, Portland, India and China, to access a wider skills pool and harness the best talent for our business.

Upskilling for the future at JLR

We are also focused on evolving the skills of our workforce through upskilling programs that build critical capabilities internally. To enable the transition from internal combustion engines to battery electric vehicles, we have upskilled our engineers on electrification through the co-creation of bespoke courses, in partnership with a local university. Focus has also been placed on upskilling employees in 'product owner' and 'scrum master' roles, to enable agile ways of working in program delivery.

Early Careers at JLR

To expand our talent pool and establish a pipeline of skills to transition to an electrified future, there is continued investment in early careers programs which is made up of apprenticeships, undergraduate positions and graduate positions. Through hiring drives, we expect to see over 1,000 people join JLR in 2023 globally, a 55% increase on the previous year and a new record intake for the company. We were third in Target jobs' most popular graduate recruiter in Engineering, Design and Manufacturing award 2023 and named a Top 100 Apprenticeships Employer in 2022.

Training and development

We have developed three e-learning modules for our UK business with future plans to create the same for all regions, to ensure that all our colleagues have a good understanding

of diversity and inclusion, and how inclusivity can affect those around us. These modules have reached a minimum completion rate of 92%.

We have also established a face-to-face diversity and inclusion training program, for colleagues across our UK manufacturing sites.

In July 2022, we announced the appointment of two diversity and inclusion co-sponsors, François Dossa, and Barbara Bergmeier, ensuring diversity and inclusion is represented at the highest levels of our business. They are supported by 14 global employee resource groups, ensuring that employees have spaces where they are able to share their lived experiences, and also to learn from one another's experiences. These have been instrumental in showcasing the power of allyship within our organization.

Diversity & Inclusion

Tata Motors fosters workplaces that promote diversity and equal opportunities. It is our endeavor to establish an environment where diversity is natural and business as usual.

We have the following strategic focus areas for diversity and inclusion:

- Strategic workforce planning: We have designed a process for workforce planning that focuses on increasing gender diversity across levels and various segments of the organization. With this process, we are able to proactively anticipate current and future hiring needs and align them to driving more gender balanced hiring.
- Culture transformation: We are working towards creating an inclusive workplace culture through our policies and processes. The Company organizes sensitization and awareness campaigns to help create an open mind and culture to leverage diversity at the workplace.
- Business integration: We recognize that a diverse workforce enables us to better understand and serve our customers and intend to embed D&I into our business operations covering all aspects – business strategy, people or operations. We conceptualize product designs that are inclusive and cater to a diversified customer base. We encourage our suppliers to adopt gender diversity at their end too.
- Partnership & external impact: We aim to create opportunities in all dimensions of diversity by partnering with specialists and NGOs to support local communities. We are committed to working with our external partners, such as suppliers and customers, to promote diversity and inclusion across the industry.

In a significant step forward toward increasing gender diversity on the shop floor, traditionally a male bastion, our TCF assembly at the Pune Plant is now entirely operated and managed by over 1,500 women employees. This is a benchmark practice in automobile industry. Also, women employees completely manage one line at Maval foundry. We have a development program called Gear-Up. Eligible women employees are provided training or mentorship basis each women employee's strengths and improvement areas. Some of these initiatives include providing opportunities with various teams like quality circles, GEMS projects, and innovation projects through the Imagineering platform. The Second Career Initiative Program (SCIP) is a platform that encourages women, who put their career on pause to restart it with interesting opportunities. We also introduced Paternity Leave and Adoption Leave for our male colleagues to support parenthood. Inclusive Internship policy is formulated to drive employability initiative and employment opportunities for LGBTQ+ and PwD.

Tata Motors measures the success of its diversity and inclusion initiatives via different parameters. These parameters measure success of diversity initiatives across H2R (Hire to Retire) journey of employees. Gender diversity for new hires is tracked. Attrition of women employees and the reasons for the same is closely monitored as well. We also compare performance appraisal normalization of ratings for women employees' function/BU wise vis-a-vis men employees to ensure that there are no biases at play at any stage. We track career development of women employees through a robust review mechanism of "Individual Development Plan (IDP)" and measure the success of it by tracking number of women managers identified and developed as successor to senior leadership roles.

External partnerships

Since 2018, we have held an official partnership with Stonewall. This relationship and the insight provided informs our policies and specific guidance and support, such as our 'transitioning at work' guidance for employees and managers. We have been steadily increasing our position in the Stonewall Index.

We have been a member of Business in the Community since 2019, providing support as a race partner. We were the first automotive company to sign the Race at Work Charter in 2019, outlining a list of commitments to improve equity in race. We signed the updated Charter in 2022, to re-state our commitment to driving action in this area.

Most recently, in 2022, we joined in partnership with the Business Disability Forum, and in FY 2023-24, we will have a

specific focus on disability and neurodiversity, to help ensure that we are providing employees with everything they need to work at their best and feel confident and comfortable in doing so.

Industrial Relations

We have labor unions for our technicians at all our plants across India except the Dharwad plant. The Company maintains cordial relations with its employees at its factories and offices and has been supported by the unions in the implementation of several reforms to improve safety, quality, cost erosion and enhance productivity across all locations. Technicians and unions have supported business continuity to achieve productivity levels during challenging times caused by COVID-19 and the semi-conductor supply chain crisis.

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

Location/subsidiaries	Wage Agreement valid until
Jaguar Land Rover – UK Plants	31-Oct -23
Mumbai	31-Dec-25
Pune – Passenger Vehicles	31-Aug-25
Pantnagar – Commercial Vehicles	31-Mar-26
Lucknow – Commercial Vehicles	31-Mar-24
Sanand – Passenger Vehicles	30-Sep-24
Pune – Commercial Vehicles	31-Aug-25
Jamshedpur – Commercial Vehicles	31-Mar-26
Sanand – TPEM	31-Mar-24

LONG-TERM WAGE SETTLEMENTS (LTS)

We have successfully and amicably signed the long-term wage settlement (LTS) for our Pune PV and Pantnagar CV Units with complete support and cooperation from the Union Representatives. These settlements mark a significant milestone in our organization's journey towards growth and business excellence. The discussions with our Union colleagues were conducted in a constructive and collaborative manner, and we are grateful for their efforts and continued support in reaching a mutually beneficial agreement. In a first, we have transitioned from MOP to HPeV as a measure of productivity, setting international standards of productivity and also achieved historic five minutes increase in available production time which will result in increased output and higher market share.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEE ONBOARDING AT SANAND-2

We have successfully completed the on-boarding of over 600 employees from the recently acquired Ford Plant in Sanand, Gujarat. A comprehensive Orientation plan put in place in partnership with reputed educational institution for skill development of the onboarded employees.

SURRENDERING OF PROVIDENT FUND TO EMPLOYEE PROVIDENT FUND ORGANISATION (EPFO)

The transfer of provident fund balance for a majority of the ~ 65000 employees across all locations to their account EPFO account was completed. Members can now view the same by logging into the EPFO portal.

OPPORTUNITIES

A recent industry report by Nikkei Asia finds India to be the third largest auto-producing nation after China and the USA. India's automotive sector is worth more than \$222 billion and contributes 8% of the country's total export, and accounts for 7.1% of India's GDP. It also provides direct and indirect employment to over 19 million people.

Phase 2 of Bharat Stage 6 emission norms came into effect on April 1, 2023, which requires the vehicles to meet real time driving emission standards. The vehicles will be equipped with an OBD (On Board Diagnostic) system that monitors the emissions in real world.

Phase-II of Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME India), with a total budgetary support of ₹10,000 crore is extended till March 31, 2024. The incentives are provided to buyers of electric vehicles in the form of an upfront reduction in the purchase price of electric vehicles based on battery capacity.

The Government of India approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India for enhancing India's Manufacturing Capabilities for Advanced Automotive Products (AAT) with a budgetary outlay of ₹25,938 crore. The PLI Scheme for Automobile and Auto component industry proposes financial incentives to boost domestic manufacturing and attract investments in the automotive manufacturing value chain. Its prime objectives include overcoming cost disabilities, creating economies of scale and building a robust supply chain. Tata Motors has got approval in PLI scheme.

The finance bill of FY 2023-24 has given reduction in customs duty (5 to 20%) on machinery and capital goods, used to produce lithium-ion batteries for EVs. This should help in reducing the price of EVs in the country from mid- to long-term and ensure the Advance Cell Chemistry PLI scheme is well supported. A national budget of ₹19,700 crore has been allocated to National Green Hydrogen Mission, which is an initiative by the government, focused on promoting the usage of Hydrogen as a renewable and clean energy source. We see significant opportunities to leverage the mega trends shaping the Indian automotive industry by means of increasing digital offerings, strengthening the play in CV passenger segment under own maintain and operate model, accelerating CNG and EV penetration in CV's, stepping up new product launches in EV's and expanding EV ecosystem in India.

Jaguar Land Rover is accelerating its Reimagine transformation into a business that will deliver double-digit EBIT margins by Fiscal 2026 and achieve net zero carbon through our entire value chain, including our products, supply chain and operations, by 2039. 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. The new BEV will be available for orders by end of 2024 and will be starting deliveries from 2025.

OUTLOOK:

Long-Term

India's annual production of automobiles in FY 2021-22 was 22.93 million vehicles. India is also a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India such as the Automotive Mission Plan 2026, scrappage policy, and production-linked incentive scheme are expected to make India one of the global leaders in the two-wheeler and four-wheeler market.

The Indian passenger car market was valued at US\$ 32.70 billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027 while registering a CAGR of over 9% from 2022 to 2027. According to NITI Aayog and the Rocky Mountain Institute (RMI), India's EV finance industry is likely to reach ₹ 3.7 lakh crore (US\$ 50 billion) by 2030. A report by the India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026.

Due to the recent developments in this sector, we can still say that the Automobile Industry has the potential to contribute about 12% of the total GDP of the nation and create 65 million employment opportunities, as per the original Automotive Mission Plan 2016-26.

The Government aims to develop India as a global manufacturing and research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRIP) centres as well as the National Automotive Board to act as facilitator between the Government and the industry.

The Range Rover introduced plug-in hybrid electric propulsion with a segment-leading official electric-only range of over 100km. From 2024, a pure electric Range Rover will join the family. By 2026, Land Rover will welcome six all-electric variants, across two architectures—our flexible Modular Longitudinal Architecture (MLA) and Electric Modular Architecture ("EMA"). This will help Jaguar Land Rover to meet unprecedented policy shifts and an exponential rise in customer demand toward electric vehicles across its key markets. As adoption increases, Jaguar Land Rover expects over 60% of global Land Rover sales to be pure electric by 2030.

As part of the Refocus transformation program, Jaguar Land Rover also explores opportunities to source materials in a more cost-effective manner, as well as sharing components across platforms in order to gain economies of scale and reduce engineering costs per vehicle.

JLR aims to become net zero carbon by 2039 throughout its entire Value chain and had defined and committed to CO₂e reduction targets by 2030, which have been validated by the Science Based Targets initiative ("SBTi"), aligning the business to a 1.5-degree emissions reduction set out by the Paris Agreement.

Short-Term

Trends suggest that the automotive industry is hurtling towards another challenging year. Globally, the gasoline crisis amid the Russia-Ukraine conflict, the global supply chain disruptions and stalled sales run rampant in the current scenario. However, Electric vehicle segment shows significant promise.

Energy costs in Europe have risen since the build-up to the start of the conflict in Ukraine and during FY 2022-23. These prices may not fall back to prior levels in the future, and this could have impact on the global competitiveness of Europe as a manufacturing location compared to countries such as the USA who do not rely on imports of gas. Some parts of the automotive supply chain are sourced from Russia and Ukraine, including Neon gas used in semiconductor production (Ukraine) and palladium (Russia). Should the conflict lead to shortages of these or any other commodities, we may face

challenges within our supply chain in sourcing parts or face significant price increases in the future.

Domestically, factors such as fuel price hikes affect freight rates and transporter profitability in case of commercial vehicles. Reduced consumer spending due to inflation, higher costs due to the new emission norms and the subsequent anticipated reduction in sales are all issues plaguing the industry. There has been a marked shift in consumer interest towards connected vehicle features that provide updates regarding traffic congestion, road safety, and vehicle health status.

The Passenger Vehicle business landscape is seeing rapid transformation in the form of tightening emissions norms, the push toward electrification, enhanced disruptions from autonomous and connected technologies and, as the aspiration levels of the Indian consumer continue to rise, requiring stepped-up investments in contemporary products in a competitive market.

Meanwhile, Commercial Vehicle segment is introducing electric variants while pushing for connected vehicles. CV demand is expected to grow based on the government's continuing thrust on infrastructure development, as well as improvement in finance for fleet buyers who make up for the bulk of truck sales, and replacement demand for buses kicking in. In addition, EV adoption is also expected to see growth in the country once all vehicle segments demonstrate considerable ownership savings over those powered by internal combustion engines (ICE).

Customer requirements are increasingly pointing towards electrification and Jaguar Land Rover is driving forward connectivity in and with its vehicles. Through remote diagnostics and software-over-the-air updates, JLR can already predict, diagnose and update all major vehicle systems. To date, Jaguar Land Rover has completed more than three million updates on customer vehicles, and through its Electric Vehicle Architecture, it can monitor data points to continually enhance its customer experiences.

Furthermore, Jaguar Land Rover formed a multi-year strategic partnership with NVIDIA, the leader in artificial intelligence and computing, to jointly develop and deliver next-generation automated driving systems, plus AI-enabled services and experiences for its customers. From 2025, new Jaguar and Land Rover vehicles will be built on the NVIDIA DRIVE™ software-defined platform—delivering a wide spectrum of active safety, automated driving and parking systems, as well as AI features inside the vehicle.

Jaguar Land Rover has also partnered exclusively with BNP Paribas, to broaden competitive automotive financing with new, innovative services across nine European markets. The ambition is to provide retail partner network and customers with an expanded range of financing solutions and insurance products by early 2023.

Risks Factor

Risks Associated with Our Business and the Automotive Industry

The ongoing shortage of semiconductors that are crucial to our products may prolong or worsen.

Semiconductor chips are an important component of the electrical architecture of our vehicles. In recent years, we and other major automotive companies have experienced constraints in availability of semiconductors, which has impacted production volumes. A limited number of companies produce the majority of semiconductors manufactured globally.

This concentration of production leaves our supply chains at risk from anything that can impact the production of semiconductors.

The shortage in the supply of semiconductors has impacted and continued to impact our production schedules in FY 2022-23 and our ability to meet the demand for our vehicles. Such shortages, which affect the entire automotive industry, may impact us more pronouncedly than our competitors as they may have greater buying power with suppliers or have a different range of features on their vehicles that are dependent on fewer semiconductors, or we may require more sophisticated semiconductors which are short in supply, as well as impact our ability to divert the supplies on lower-end models, in which our competitors exclusively operate or for which our competitors are better able to manage supplies. Production schedules continue to be actively managed by management in line with the availability of semiconductors and vehicle margin. Along with supply chain uncertainty caused by the COVID-19 pandemic and sudden factory shutdowns due to natural disasters at major semiconductor production sites worldwide, longer-term trends, such as a general rise in demand in the automotive sector competing with other rapidly growing industries for semiconductor manufacturing capacity and structural issues within the semiconductor supplier landscape have complicated our ability to secure sufficient supply. There can be no assurance that we will be able to source for alternative supplies of semiconductors or that such alternative supplies of semiconductors will be readily available. While we have definitive agreements signed to secure supply of semiconductors for JLR, if we do not get the supplies as intended, it would impact us significantly.

In the event that such shortages continue for a prolonged period of time, our production levels may be affected, which would materially affect our business and our financial condition due to poor results of operations. In addition, the shortage of semiconductors could also have an adverse impact on the implementation of Jaguar Land Rover's Reimagine strategy to expand into EVs, which may contain a higher level of semiconductors than that used in conventional vehicles. The shortage of semiconductors could also increase car prices, which could negatively affect customer demand in the future should other companies be able to increase supply in the future. Furthermore, the extended delivery times of new cars could cause an increase in cancellations by customers.

We have also committed to significant reduction of debt related to our automotive operations, excluding the vehicle financing segment, by FY 2023-24. As a result of supply chain issues, production was impacted, resulting in adverse working capital, as a result of which debt for automotive business remained at elevated levels in FY 2021-22 and FY 2022-23, thereby posing a challenge to our near zero net auto debt commitment by FY 2023-24. The same is now deferred to FY 2024-25. If we continue to face significant supply chain issues, our volumes may be impacted, affecting revenues from our operations, profitability, free cash flows and our debt reduction plans.

While we expect semiconductor supply to continue to gradually improve throughout FY 2023-24, there is no assurance that this will be the case.

While we continue to take measures to partially mitigate the impact of semiconductor supply shortages, including engaging in discussions with leading component suppliers and chip producers, having agreements with critical suppliers for high-risk chips and prioritizing the production of higher-margin vehicles, there can be no assurance that such measures will provide significant mitigation.

Disruptions to our supply chains and shortages of essential raw materials, parts and components may adversely affect our production and results of operations.

We rely on third parties to source raw materials, parts and components used in the manufacture of our products. At a local level, we rely on smaller enterprises where the risk of insolvency is greater. In addition, for some parts and components, we are dependent on a single source of supply. Our 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 our control. Furthermore, there is a risk that manufacturing capacity does not match to the sales demand, thereby compromising our 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 we manage our supply chain as part of our supplier management process, any significant problems or shortages of essential raw materials in the future could adversely affect our results of operations.

Adverse economic conditions and declines in vehicle sales have had a significant financial impact on our suppliers in the past. In addition, our supply chains have been, and continue to be, impacted by business disruptions and uncertainty caused by the COVID-19 pandemic. See "We have been, and may continue to be, adversely affected by the COVID-19 pandemic" for more information.

In addition, because of reduced demand for automobiles and lack of access to sufficient financial arrangements for our supply chain could impair the timely availability of components for our business. In addition, if one or more of the other global automotive component manufacturers were to become insolvent, this would have an adverse impact on the supply chains and may further adversely affect our results of operations. We are also exposed to supply chain risks relating to the availability of lithium-ion battery cells, which are critical for EV production. Any disruption to the supply of battery cells or constraints in availability could disrupt production of our vehicles and delay the rollout of our strategic initiatives, including Jaguar Land Rover's Reimagine strategy. As we and other automotive manufacturers expand production of EVs and demand for EVs increases, such risks are heightened.

Moreover, we have entered into agreements for the purchase of components from certain suppliers pursuant to which, if we procure lower quantities than committed, we may have to record provisions toward such contracts, which may have a material adverse impact on our financial condition and results of operations.

Deterioration or uncertainty in global economic conditions could have a material adverse impact on our business, sales and results of operations.

The automotive industry could be materially affected by the general economic conditions and developments in India and around the world and investors' reaction to such conditions and developments.

The automotive industry, in general, is cyclical, and economic slowdowns in recent years have affected the manufacturing sector in India, including the 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 significant environmental and tax policies, work stoppages and increase in freight rates and fuel prices could materially and adversely affect our automotive sales and results of operations. Deterioration in key economic metrics in countries where we have sales operations may result in a decrease in demand for our automobiles, which, in turn, will cause automobile prices and manufacturing capacity utilization rates to fall.

We are a global organization and are 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 our ability to operate as a global business. Additionally, negative sentiment toward foreign companies among our overseas customers and employees could adversely affect our sales as well as our 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 our business, prospects, results of operations and financial condition.

Prolonged periods of sluggish economic growth or any significant financial disruption could have a material adverse effect on our cost of funding, portfolio of financing loans, business, prospects, results of operations, financial condition and the trading price of the Company's Shares.

During FY 2022-23, we have seen a number of banking failures and crises. Our business relies on the banking sector for a range of credit facilities, including loans and hedging lines. We also hold cash balances that are invested with a range of financial institutions and monitored by internal credit risk policies. We have not had any significant direct impact due to any recent bank failures or crises; however, we may suffer from indirect effects as these may lead to more conservative lending decisions from other banks leading to a reduction in lending capacity among our banking group. This may have an adverse impact on our business as the availability of

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funding may decrease in the future or we may see increases in the cost of credit.

Any reduction in the availability of credit to the wider economy as a result of these bank failures could lead to an economic slowdown which could have a material adverse effect on our cost of funding, portfolio of financing loans, business, prospects, results of operations, financial condition and the trading price of the Company's Shares. Our 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, our business, prospects, financial condition and results of operations could be materially and adversely affected as a result.

Rising Geo-Political risk including the ongoing conflict between Russia and Ukraine could have an impact on our business and results of operations.

In late February 2022, Russian military forces invaded Ukraine, significantly amplifying already existing geopolitical tensions in the world. Russia's invasion, the responses of countries and political bodies to Russia's actions and the potential for wider conflict have contributed to increased market volatility in recent months, and such volatility may continue or amplify in the future. Moreover, in response to Russia's actions in Ukraine, various countries, including the United States, the United Kingdom and European Union members, issued broad economic sanctions against Russia, including to prohibit certain trade activity with certain Russian corporate entities, financial institutions, officials and other specified persons.

In FY 2021-22, Jaguar Land Rover recorded £43 million in relation to customer liabilities arising from sanctions imposed against Russia by countries, preventing the shipment of vehicles and certain parts to the market. No further provisions were taken in FY 2022-23. Jaguar Land Rover has, over the past three financial years, earned less than 2.5% of revenue on average each year from Russia and Ukraine, but has suspended vehicle exports to Russia to comply with recent export restrictions. Throughout FY 2022-23, Jaguar Land Rover has continued to import a restricted range of safety-related parts into Russia for the repair of vehicles in market in compliance with relevant sanctions and export controls measures.

The impact of the conflict on our production volume has been limited during FY 2022-23 as a result of active management of our parts supply chain. However, we are currently unable to predict with certainty the duration and severity of the conflict between Russia and Ukraine and its ultimate impact

on our business, financial condition, liquidity and results of operation, as these depend on rapidly evolving and uncertain developments and factors that are beyond our control.

Moreover, in FY 2022-23 Russia suspended gas supplies to several European Countries. Also, Russian gas supplies to Germany via the Nord Stream 1 pipeline have stopped indefinitely following economic sanctions and damage to both the Nord Stream 1 and Nord Stream 2 pipelines. European countries have switched to increased use of seaborne liquified natural gas shipments to replace supplies from Russia. Should there be any disruption to supplies in the future, it would impact us, since we import certain parts from mainland Europe, we may face parts shortages or be unable to run production in our manufacturing facilities based in the UK and Slovakia, which could have a material adverse impact on our business.

Energy costs in Europe have risen since the buildup to the start of the conflict in the Ukraine and during FY 2022-23. These prices may not fall back to prior levels in the future and this could impact on the global competitiveness of Europe as a manufacturing location compared to countries such as the United States who may not rely as much on imports of gas from Russia.

In the recent past, we have been witnessing increased geopolitical tensions globally. Any potential aftermaths of such tensions such as cross-border restrictions, sanctions, trade barriers, imposition of tariffs, etc. could adversely affect our supply chains and as a result affect production schedules.

We do not presently have any direct significant exposures to supply chain in Russia / Ukraine. Some parts of our automotive supply chain are sourced from Russia and Ukraine, including neon gas used in semiconductor production (Ukraine) and palladium (Russia) in compliance with sanctioned framework. While we have alternate supply sources, should the conflict lead to shortages of these or any other commodities globally, we may face challenges within our supply chain in sourcing parts or face significant price increases in the future.

We are exposed to operational risks, including cyber security risks, in connection with our use of information technology

We are exposed to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Such risk includes, among other things, potential 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 our systems or affecting those of third-party providers. We are generally exposed to IT risks, since unauthorized access to or misuse of data processed on our IT systems, human errors associated therewith or technological failures of any kind could disrupt our operations, including the manufacturing, design and engineering processes. In particular, as vehicles become more technologically advanced and connected to the internet, our 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, we are 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 European Union's General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR")), our results of operations and financial condition could be materially adversely affected. In addition, we would likely experience negative press and reputational impacts. Cyber security incidents could lead to loss of productivity, negative impacts on our reputation, and, in certain cases, material financial loss due to business disruptions.

We may also be exposed to the challenges related to legacy IT systems, such as they may be more vulnerable to cyber security risks or we may not be able to explore the potential benefits of newer technologies which our competitors are using. Further, we are also migrating to advanced versions of SAP. Such system migration projects involves significant challenges, such as ensuring adequate backups and transfer of data, implementation within timelines and ensuring business operations are not hampered and IT systems are operating as intended. If the IT project implementation is not carried out as desired, it could materially adversely affect our operations, affect our financial performance and cause reputational damage. Further, in the course of our business operations, we have incorporated several new entities and manufacturing plants. It is of critical importance to ensure that IT systems and processes are established and aligned with the business to achieve the desired objectives.

Autonomous driving and the new regulatory requirement related to vehicle electronics possess a greater challenge of cyber security for our products. In this regard various countries, specifically developed countries like EU, South Korea, are increasing their regulatory requirements which are scheduled to be implemented in next couple of years. This calls for implementation of necessary advanced technologies/ process to protect our vehicles as well as various organizational functions from any potential risk of hacking/ data privacy issues. We have already initiated necessary actions in terms of training of people and certification of product and processes to mitigate such risk.

Increases in commodities and input prices may have a material adverse effect on our results of operations.

We purchase a wide range of raw materials to enable our production operations. In FY 2022-23 and FY 2021-22, the consumption of raw materials and components aggregates and purchase of products for sale (including changes in inventory) constituted 65.5% and 65.0%, respectively, of our revenues. Prices of commodity items, such as steel, nonferrous metals, precious metals, rubber and petroleum products are governed by demand supply fundamentals and hence we are exposed to price risks arising out of these materials. Furthermore, we are also exposed to the risk of contractions in supply, and any corresponding increase in the price of rare earth metals we use 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 we are 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, our vehicle production, business and results from operations could be materially affected. There also have been battery pricing fluctuations on account of lithium carbonate commodity price fluctuation.

Domestically, our Commercial Vehicles business was significantly impacted by increases in commodity prices, primarily steel. In FY 2021-22, and for the first half of FY 2022-23, the increase in steel prices and residual commodity inflation impacted the profitability of our domestic Commercial Vehicles business. While TML's Commercial Vehicle business has introduced price increases to mitigate the impact of price increases and steel prices, which have largely cooled off in second half of FY 2022-23, and certain other corrective actions have been taken, there is no assurance that we will not be affected by such headwinds in the future. Further, BSVI Phase 2 emission norms are applicable from April 1, 2023. As a result, the Company's input costs have increased to comply with the more stringent BSVI Phase 2 emission norms and consequently we have taken price hikes for our Commercial Vehicles and Passenger Vehicles. This may likely have some adverse impact on demand. Also, on account of anticipated increase in prices, we have witnessed certain pre-buying in Q4 of FY 2022-23 before the BSVI Phase 2 norms came into effect and this would have an adverse impact on demand in Q1 of FY 2023-24.

The COVID-19 pandemic had a significant impact on the supply of precious metals as certain countries where such precious metals are mined had prolonged lockdowns that had resulted in supply chain constraints for such metals. See "—We have been, and may continue to be, adversely affected by the COVID-19 pandemic" for more information. Moreover,

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since February 2022, Russia's invasion of Ukraine has also led to increases in the prices of a wide range of raw materials that we rely on. See "Rising Geo-Political risk including, the ongoing conflict between Russia and Ukraine could have an impact on our business and results of operations" for more information.

Intensifying competition could materially and adversely affect our business, prospects, financial condition and results of operations.

The global automotive industry, including the luxury passenger car segment, is highly competitive and competition is likely to further intensify in the future, including as a result of new industry entrants. In the premium automotive sector, our competitors may intensify their efforts to remain competitive in established markets while at the same time focusing on developing a presence in developing markets. There is also a trend toward consolidation in the automotive industry to mitigate the costs of the market shift toward electrification, which has the potential to strengthen our competitors' market position. In light of Brexit, some of our European Union-based competitors may gain a competitive advantage that would enable them to benefit from their access to the European Union single market post-Brexit. A range of factors affect the competitive environment, including the quality and features of vehicles, innovation, development timelines, ability to control costs, pricing, reliability, safety, fuel economy, research and development ("R&D"), the environmental impact and perception thereof, customer service and financing terms. Factors which affect the entire automotive industry may impact us more negatively than they might impact our competitors, given each market participant's individual circumstances. There can be no assurance that we will be able to compete successfully in the global automotive industry.

We also face 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 may further intensify in the future. We have seen increased competition for our Commercial Vehicles business for several years, which has placed some pressure on our market share of the segment. If our share of this market segment is substantially impacted, our business, prospects, financial condition and results of operations may be materially and adversely affected.

Tata Motors Limited has been a front-runner in EV adoption in India with close to 84% market share in EVs for FY 2022-23. With increased demand for EVs, favorable government policies, and the creation of charging infrastructure, the EV business space is gaining good traction. However, we have recently seen some launches by competitors and future product plans in the EV segment. The competitiveness in the EV segment is going to increase significantly. If we are not able to meet customer expectations, launch products in a timely manner, or if our competitors provide better product offerings in terms of features, range and cost than we do, this would severely affect our demand and dent our market leadership position.

There is no assurance that we will be able to implement our future strategies in a way that will mitigate the effects of increased competition in the Indian automotive industry.

We are exposed to execution risks relating to our strategic partnerships or risks that the alliances entered into by our competitors may offer a better customer experience or prove to be financially more beneficial than ours.

In addition, if our competitors consolidate or enter into other strategic partnerships or joint ventures, they may be able to achieve greater economies of scale. Some of our competitors have formed such strategic alliances in recent years. If our competitors are able to benefit from the cost savings offered by consolidation or strategic partnerships, our competitiveness could be adversely affected.

A significant reliance on key markets by both Tata Motors Limited and Jaguar Land Rover increases the risk of a negative impact from reduced customer demand in those countries.

We rely on certain key markets, including the United Kingdom, China, North America, India and continental Europe, from which we derive a substantial portion of our revenues. A decline in demand for our vehicles in these major markets may significantly impact our business, financial condition and results of operations. In addition, our strategy, which includes new product launches and expansion into growing markets, may not be sufficient to mitigate a decrease in demand for our products in mature markets in the future, which could have a significant adverse impact on our financial performance.

In addition, Jaguar Land Rover's Reimagine strategy may not be sufficient to mitigate a decrease in demand for our products in mature markets in the future, which could have a significant adverse impact on our financial performance.

Our future success depends on our 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 markets are increasingly moving toward electric and hybrid vehicles and away from diesel-powered engines. Such consumer preferences could materially affect our ability to sell premium passenger cars and luxury large or medium-size all-terrain vehicles at current or target volume levels, and could have a material adverse effect on our general business activity, net assets, financial position and results of operations.

Consumer demand trends are affected by a variety of factors, such as disposable income, brand reputation and environmental awareness, which can be difficult to predict and/or control. We may fail to identify trends in customer needs and tastes in sufficient time to react to these changes (including by adapting our strategy and business plan as necessary), and our attempts to position our brand and/or optimize our product portfolio to take advantage of market trends and consumer demand patterns may be ineffective. A misjudgment in our strategy or delayed recognition of trends and customer needs and tastes in individual markets or other changes in requirements could lead to a decline in demand, sales and profitability of our products and damage our brand. It could also lead to significantly unprofitable investments and associated costs.

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 our profitability. Conversely, if the trend in consumer preferences for SUVs holds, we 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 our business, financial condition or results of operations. Our operations may also be significantly affected if we fail to develop, or experience delays in our planned rollout of fuel-efficient vehicles and EVs and certain technologies that reflect changing customer preferences and meet the specific requirements of government regulations. Our competitors may gain significant advantages if they are able to offer products satisfying customer needs or government regulations earlier than we are able to, which could adversely affect our business, prospects, financial condition and results of operations.

Further, there is no assurance that our new models will meet our sales expectations, in which case we may be unable to realize the intended economic benefits of our investments. In addition, there is a risk that our quality standards can be maintained only by incurring substantial costs for monitoring and quality assurance. A decrease in the quality of our vehicles (or public perception of such a decrease) could damage our image and reputation as a premium automobile manufacturer and materially affect our business, prospects, financial condition and results of operations. Furthermore, non-traditional market participants and/or unexpected innovations may disrupt the established business model of the industry by introducing new technologies, distribution models or methods of transportation that we may not be able to adapt to or replicate.

There is also a risk that the capital invested in 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 we could then be compelled to make new investments in researching and developing other technologies to maintain our 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 we will be able to accurately forecast demand for our vehicles, potentially leading to inefficient use of our production capacity. Additionally, our high proportion of fixed costs, due to our significant investment in property, plants and equipment, further exacerbates the risks associated with incorrectly assessing demand for our vehicles.

Autonomous, Connected, Electric, Shared ("ACES") captures the megatrends that we consider to be driving changes in automotive industry. The pace of change has accelerated in the recent years as seen in the product and services being demanded by our customers. The knowledge, skill and attitude required from our workforce to position our business for success in the ACES world is significantly different from what has enabled us to succeed in the Internal Combustion Engine ("ICE") world, in which we have developed what we believe to be world-class capability over the years.

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If we are unable to effectively implement or manage our growth strategy and strategy to deliver competitive business efficiency, our business, prospects, financial condition and results of operations could be materially and adversely affected.

As part of our growth strategy, we may open new manufacturing, research or engineering facilities, expand existing facilities, add additional product lines or expand our businesses into new geographical markets that we believe exhibit high growth potential.

While TML has undertaken robust turnaround actions, its future strategy focuses on accelerating the turnaround and achieving a sustainable transformation by emphasizing strong product development, sales enhancement, reducing costs and achieving bottom line improvements. In February 2021, Jaguar Land Rover also announced a shift in focus with the Reimagine strategy, including the plan to introduce the first all-electric Land Rover vehicle in 2024 and a further five Land Rover models with a full battery electric option by 2026. Jaguar also intends to transition to a pure electric only luxury 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 EVs by 2036, as well as striving toward achieving Net Zero carbon emissions across its supply chain, among other environmentally driven strategies by 2039. Further, in April 2023, Jaguar Land Rover also announced that it is committing investment of £15bn over five years in its industrial footprint, vehicle programmes, autonomous, AI and digital technologies and people skills. In October 2021, TML announced a commitment to invest over US\$2 billion over the next five years to expand its EV business.

In FY 2022-23, we have taken a decisive step to minimize the practice of discounting that has plagued the CV industry. From September onwards, we have taken a decisive step by moving from a push system to a pull system with clear focus on VAHAN registration market share as against practice of offtake market share. This step is expected to have short-term impact on our market share. This step may bring a major shift to industry with focus on profitability. We have recently announced further price increases for our Commercial Vehicles ahead of BS VI Phase 2 emission norms. Further, there has been an increase in interest costs as a result of policies of Reserve Bank of India (the "RBI"). If the consumers are unable to absorb the price increases or our competitors

continue with aggressive discounting and operate at better operating efficiencies, our business, prospects, financial condition and results of operations could be materially and adversely affected.

We are also expanding our growth in domestic business with a focus on large-scale fleet contracts. Such large contracts come with execution risks. For example, if we are unable to comply with various terms of agreement or fulfill the necessary specifications and timelines, we may incur penalties or sustain reputational damage or our financial performance and results of operations may be affected.

Further, Tata Motors Limited is also expanding its business through mass mobility solutions whereby vehicles are sold through an own, maintain and operate model offered at a "per kilometer" rate. A separate business vertical has been carved out for this business. Such business model requires deployment of significant investments and contracts are of a longer tenure, increasing the risks and balance sheet size. If we are unable to find right financing structure for this business or there are delays in collections, or our revenues are not able to cover our costs, it would adversely affect our revenues, profitability and liquidity.

Such strategies and objectives involve many risks and uncertainties, including rapidly changing consumer preferences and the progress of current and future technological advances. For example, Jaguar Land Rover or Tata Motors Limited may not be able to develop sufficiently efficient and low-cost batteries before its competitors or at all. As with most new technological advances, Jaguar Land Rover and Tata Motors Limited may also face competition with software and hardware technologies in EVs, which could lead to the dominance of one product in the market causing the extinction of the other. If Jaguar Land Rover or Tata Motors Limited are unable to develop competitive models of EVs or fails to meet its projected development timeline, their 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 EVs being replaced by the next class of technologically advanced vehicles sooner than anticipated. If EVs do not become the market standard, or are quickly phased out, we may not recover the costs associated with developing electric vehicles.

Additionally, we face a range of risks generally inherent in our business strategies that could adversely affect our ability to achieve our strategy and objectives, including any disruptions

to our ability to anticipate consumer demand, our business, our ability to manage the operations of a larger company, competition for growth opportunities and other operational and business risks. In addition, our 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 we are unable to manage risks related to our expansion and growth in new geographical markets and fail to establish a strong presence in high-growth markets, our business, prospects, financial condition and results of operations could be adversely affected.

We have been, and may continue to be, adversely affected by the COVID-19 pandemic.

Our results of operations and financial position have been, and may in the future be, impacted by the COVID-19 pandemic, including the emergence of new variants of the virus, uncertainty surrounding the medium- and long-term effectiveness of COVID-19 vaccines and future government action in response to the next stages of the pandemic.

Our operations have been impacted as a result of the COVID-19 pandemic. At various times over the course of FY 2021-22, our Indian and Jaguar Land Rover business witnessed disruptions at manufacturing plants 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 situations have caused disruptions to our business and have had negative impacts on our cash flows.

While our volumes for the domestic business grew quarter over quarter, recurring waves of infection and restrictive measures by governments have continued to have an adverse impact on our results of operations. For example, industry sales volumes for our passenger segment (buses) in Commercial Vehicles experienced a slow recovery.

During FY 2022-23, the lockdowns in China as a part of government's zero COVID strategy impacted our part supplies, including semiconductors, and we also witnessed a temporary decrease in demand of our products in our China markets.

There is significant uncertainty surrounding such business disruptions, as continued cross-border restrictions could adversely affect our supply chains globally. We, like other automotive manufacturers, have experienced some supply chain disruption due to the COVID-19 pandemic, including the current global unavailability of semiconductors, which has impacted our production schedules and the ability to meet global demand for some of our vehicles. As a result, we adjusted production schedules for certain vehicles and in certain manufacturing plants. Although we have restored operations at our production facilities, our manufacturing rates and timelines may nonetheless be affected by global economic markets, the decrease in consumer confidence or changing behaviors, such as working from home arrangements, which could impact demand in the global transportation and automotive industries. The extent and impact of changing consumer preferences and behavior is unknown and impossible to predict at this time.

Even as the COVID-19 pandemic has largely subsided in most of our key regions, we may continue to experience an adverse impact to our business as a result of its global economic impact, including impact of stand taken by central banks to curtail inflation, and any recession that has occurred or may occur. Specifically, difficult macroeconomic conditions, such as decreases in per capita income and levels 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 our products, as well as limit or significantly reduce points of access to them.

In addition to the increase in costs associated with the implementation of enhanced health and safety measures in our operations, we are also faced with the potential increase in legal, advisory and other costs as a result of any COVID-19 pandemic-related claims from workers or third-party suppliers that may come into contact with our operations. All or any of these factors have had, and could in the future have, a material adverse effect on our business, prospects, financial condition and results of operation.

Even after the COVID-19 pandemic subsides, we may continue to face uncertainties regarding the potential impact of any future variants of COVID-19 and long-term sustainability of any economic recovery in the jurisdictions in which we operate.

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Designing, manufacturing and selling vehicles is capital-intensive and requires substantial investments in tangible and intangible assets, such as R&D, product design and engineering technology. We review the value of our tangible and intangible assets to assess, on an annual basis or trigger-event 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 ("CVs"), Passenger Vehicles ("PVs"), Jaguar Land Rover and Vehicle Financing), either based on value in use ("VIU") or fair value less the cost of disposal of an asset. As a result of shifting focus to the Reimagine strategy announced by our Jaguar Land Rover business in February 2021 a total of GBP1,486 million (₹14,994 crore) was recorded in the fourth quarter of FY 2020-21 comprising non-cash write-downs of GBP952 million (₹9,606 crore) for previously planned products (capitalized as property, plant and equipment and intangible assets) that will not be completed and GBP534 million (₹5,388 crore) of other restructuring costs.

We 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 our business, prospects, financial condition and results of operations.

We are exposed to liquidity risks, including risks related to changes in our credit rating, which could adversely affect the value of our debt securities, finance costs and our ability to obtain future financing.

Our main sources of liquidity are cash generated from operations, existing notes, bank loans 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 ongoing effects of the COVID-19 pandemic, geo political tensions or for any other reason) and lower consumer demand may adversely affect both consumer demand and the cost and availability of finance for our business and operations. See Management discussion and analysis—"Liquidity and Capital Resources—Principal Sources of Funding Liquidity—Loan Covenants" for more information.

We are also subject to various types of restrictions or impediments on the ability of our companies in certain countries to transfer cash across our companies through loans or dividends. These restrictions or impediments may be caused by factors such as exchange controls, withholding taxes on dividends and distributions and other similar restrictions in the markets in which we operate. The

transfer of cash may also be subject to certain restrictions on cash pooling, intercompany loan arrangements or interim dividends in certain jurisdictions.

Any credit ratings assigned to us, or our debt securities, may not reflect the potential impact of all risks related to structural, market, additional risk factors discussed herein and other factors that may affect the value of our debt securities. A downgrade in our credit rating may negatively affect our ability to obtain future financing to fund our operations and capital needs, which may affect our liquidity. It may also increase our financing costs by increasing the interest rates of our outstanding debt or the interest rates at which we are able to refinance existing debt, or incur additional debt, or may require us to prepay part of the outstanding debt.

Further, elevated interest rates and volatile bond markets might impact liquidity. Any systemic banking stress can shut off access to the bank loans for refinancing. Also refer – "Deterioration or uncertainty in global economic conditions could have a material adverse impact on our business, sales and results of operations".

Our production facilities are highly regulated, and we may incur significant costs to comply with, or address liabilities under, environmental, health and safety laws and regulations applicable to them.

Our 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 our operations require permits and controls to monitor or reduce pollution. We have incurred, and will continue to incur, substantial ongoing 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 such laws and regulations could result in the imposition of significant fines and penalties, the suspension, revocation or non-renewal of our permits, production delays or limitations, imposition of terms of imprisonment, or the closure of our plants. Other environmental, health and safety laws and regulations could impose restrictions or onerous conditions on the availability or the use of raw materials we need for our manufacturing processes.

Our business and manufacturing processes result in the emission of greenhouse gases ("GHG"), such as carbon

dioxide. Legal requirements to reduce GHGs have become increasingly more stringent and costly to address. Emissions Trading Scheme obligations apply to our vehicle manufacturing plants in the UK.

We have Climate Change Agreements ("CCAs") in the United Kingdom, which covers our three vehicle manufacturing plants and one of our Special Operations facilities. We are enacting a buy-out provision for Target Period 5 (calendar years 2021 and 2022) against an updated baseline period from 2008 to 2018.

In addition, and in the United Kingdom, we are required to comply with the Streamlined Energy and Carbon Reporting Scheme ("SECR"). Statements on this are included within Jaguar Land Rover Automotive plc Annual Report.

Moreover, 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 at properties it formerly operated, regardless of whether it caused the contamination or the activity causing the contamination was legal at the time it occurred. In Jaguar Land Rover's overseas facilities prior to purchase, it undertook studies that informed 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. A remediation program will commence imminently.

We 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 our operations, facilities or products. The discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contamination at our facilities, could result in substantial unanticipated costs.

We are subject to risks associated with the automobile financing business.

The sale of our Commercial Vehicles and Passenger Vehicles is heavily dependent on funding availability for our 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 our business, prospects, financial condition and results of operations.

Default by our customers or inability to repay installments as due could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, any downgrade in our credit ratings may increase our borrowing costs and restrict our 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, we may need to reduce the amount of financing receivables we originate, which could severely disrupt our ability to support the sale of our vehicles.

During FY 2020-21, the Government of India and the RBI announced several relief measures to ease the financial system stress resulting from the COVID-19 pandemic. However, such regulatory measures are temporary in nature and intended as a one-time relief, and there remains considerable uncertainty around the impact of any such headwinds in the future.

The transportation and logistics sectors were facing significant headwinds even before the COVID-19 pandemic, due to sluggish growth in freight availability and rates. This was exacerbated on account of business disruptions due to lockdowns and other COVID-19 pandemic-related measures introduced by local and national governments. Post-pandemic, due to business disruptions, higher delinquencies for certain category of customers/products/locations and on account of higher prices of M&HCV vehicles, funding to first-time buyers/users can be challenging by financial institution due to economic viability of the customers and can impact volumes of Commercial Vehicles.

The RBI, through its circular dated November 12, 2021, with a view to ensuring uniformity in the implementation of Income Recognition, Asset Classification and Provisioning ("IRACP") norms across all lending institutions, clarified that loan accounts classified as NPAs may be upgraded as "standard" assets only if the entire arrears of interest and principal are paid by the borrower. This means that any part payment will not result in accounts being upgraded. Only on full overdue repayment, can an account be classified as "standard". However, the RBI, on February 15, 2022, had given time until September 30, 2022, to put in place the necessary systems to implement this provision and, accordingly, the same has been implemented in FY 2022-23.

As a result of implementation of these upgraded norms in October 2022 and certain slippages in COVID restructured book, our GNPA's, NNPA's provisions increased significantly impacting our profitability for vehicle financing business.

On October 22, 2021, the RBI had revised the regulatory framework for non-banking financial companies ("NBFCs"), which became effective from October 1, 2022. The new framework encompasses different facets of regulation for

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different categories of NBFCs covering capital requirements, governance standards and prudential regulation. TMF Group is classified as Middle Layer NBFC category. Middle Layer NBFC's are required to have board-approved policies on Internal Capital Adequacy Assessment Process to ensure availability of adequate capital to support all business risks and use better risk management techniques, leverage the requirement to ensure that growth is supported by adequate capital

Further, Middle Layer NBFCs are subject to certain additional governance matters, including but not limited to (1) except for directorship in subsidiary, Key Managerial Personnel shall not hold any office (including directorships) in any other Middle Layer or Upper Layer NBFC; (2) Board-approved compensation policy having principles for fixed/variable pay structure, malus/claw back provisions; (3) enhanced disclosure in Annual Report mainly on breaches in terms of covenants in respect of loans availed and debt securities issued; and (4) divergence in asset classification and provisioning above a certain threshold to be decided by the RBI.

Moreover, to strengthen the supervisory tools applicable to NBFCs, the RBI has put in place a Prompt Corrective Action Framework ("PCA Framework"). The PCA Framework is applicable to all deposit-taking NBFCs and middle, upper and top layers of Non-Deposit-Taking NBFCs effective from October 1, 2022, based on the financial position of NBFCs on or after March 31, 2022.

For invocation of PCA, the RBI has prescribed risk threshold with indicators mainly being capital ratios in terms of CRAR and Tier 1 ratio and asset solvency ratio in terms of Net Non-Performing assets. RBI has also prescribed mandatory and discretionary actions for all of the risk thresholds, stricter action being for higher risk thresholds. Mandatory actions include various restriction like on dividend distribution/remittance of profits, on branch expansions, on capital expenditures and on variable operating expenses. Discretionary action includes Special Supervisory actions related to Strategy, Governance, Capital, various type of risk, business, operation and profitability.

If we are unable to meet the compliance norms, it would significantly affect our business objectives, financial performance, results of 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, Chase Auto Finance in the United States and BNP Paribas in several markets across Europe and has 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 JLR under commercial pressure to offer new (or expand existing) retail or dealer incentives to maintain demand for its vehicles, thereby materially and adversely affecting our 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. In response to the COVID-19 pandemic, central banks had taken a more accommodating stance; however, with looming inflationary concerns, all major central banks have turned aggressive and there have been significant rise in the interest rates. As market rates for new vehicle financing rise, our vehicles could become less affordable or retail consumers may favor less expensive vehicles that tend to be less profitable for us, adversely affecting our business, prospects, financial condition and results of operations. Additionally, as 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 our vehicles. An increase in interest rates due to tightening monetary policy or for any other reason would result in increased costs for us to the extent we decided 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 our 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, we may be adversely affected by movements in used car valuations in these markets.

Deterioration in the performance of any of our subsidiaries, joint ventures or affiliates could materially and adversely affect our results of operations and financial condition.

We have made and may continue to make capital commitments to our subsidiaries, joint ventures and affiliates. If the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorate, the value of our investments may decline substantially. We are also subject to risks associated with joint ventures and affiliates wherein we retain only partial or joint control.

Further, for our Commercial Vehicles, we also venture into international business through our subsidiaries in overseas

markets, including Tata Daewoo Commercial Vehicles Co. Ltd. ("TDCV"), Tata Motors (SA) (Proprietary) Limited and PT Tata Motors Indonesia.

In our domestic business, we have also entered into Joint arrangements with Tata Cummins Limited for the design and manufacture of diesel engines and Fiat India Automobiles Limited, to manufacture passenger cars, engines and transmissions.

We also 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" or "CJLR").

We 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 may be developed pursuant to agreements over which we only have partial or joint control.

If the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorate, the value of our investments may decline substantially and may impact our overall financial position and liquidity. If there is a significant change in these relationships (for example, if a co-owner changes or relationships deteriorate), our success in the joint venture may be materially adversely affected.

We are also subject to risks associated with joint ventures and affiliates wherein we retain only partial or joint control. If other shareholders of a joint venture, who may have different business or investment strategies than we do, or with whom we may have a disagreement or dispute, have the ability to block business, financial or management decisions, or our investment in the project, or otherwise implement initiatives that may be contrary to our interests, our future results and financial condition may be materially affected.

Moreover, our subsidiary company, TTL, works with new energy vehicle companies and their associated supply chains to address their product development and enterprise optimization needs, which often involve full vehicle development and turnkey projects. Successful delivery of the programs and management of credit risk from such exposures significantly influence TTL's financial performance. While TTL has a strong business development strategy for new energy vehicle companies by focusing on companies that have secured funding, some of the startup companies it works with may experience issues with their financial health and business continuity. Startup companies may have funding difficulties, uncertain product roadmaps, ownership changes and an unclear credit history. Further, such companies may be

more susceptible to economic downturns, recession, inflation, supply chain shortages and similar crisis than larger, more established businesses, and if they fail to raise enough capital or are unable to efficiently manage growth, they may have to shut down their operations. These complications could have an adverse impact on TTL. Such projects may contribute to a significant portion of TTL's revenue, which may exacerbate the adverse impacts resulting from its arrangements with such new energy vehicle companies, including delays in payment and the credit risk involved in such transactions.

New energy vehicle companies may be prone to consolidation within the industry and, if subject to mergers or acquisitions and there is a subsequent change in their management, they may no longer require TTL's services. The acquiring companies may also have their own engineering departments which specialize in the services TTL offers. Thus, the acquired company would not need to outsource such activities to TTL anymore. Additionally, full vehicle development and turnkey projects generally have fixed contract periods and may cause a decline or fluctuation in TTL's revenue if such contracts are not renewed or are terminated prior to the expiry of the contracts or are completed or if TTL is unable to acquire other such similar full vehicle development or turnkey projects.

TTL is also expanding its innovative offering in the education space through its iGetIT platform by upskilling and reskilling in relation to the latest engineering and manufacturing technologies to public and private sector academic institutions through curriculum development and competency center offerings. With respect to the Education business, there is high dependency on third parties for quality, delivery and commercial details and there is also the risk of damaging or losing the reputation it has endeavored to establish in the markets where we operate. Historically, TTL's Education business has had lower margins compared to its other businesses and has also recently been particularly exposed to fluctuations in revenue due to nature and frequency of the projects and the payments involved in the contracts. Further, as the majority of its current projects in the Education business are with various state governments and public universities, it is required to liaise with multiple parties at various levels of the government to demonstrate its offering and the capability in order to be selected as the vendor for the particular project. TTL cannot guarantee that it will always be selected as a result of the bidding process to execute notable projects for the governments and that it will be able to sustain prior distinguished relationships with the relevant departments of the various governments for which it operates. Such projects may also be subject to changes in government policy which may have an impact of the existence of the agreement or its terms and may require TTL to renegotiate our contract or its principal terms, including its pricing. Although TTL tries to receive all or a substantial a portion of its fees upfront, it may

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not be successful and may still be exposed to a counterparty default risk with government institutions.

Similar to the Education business, in relation to any other industries TTL may consider venturing into, factors such as its lack of experience in the industry compared to global competitors, uncertainty of demand for such services and additional research and development costs may impact its ability to grow its market share in the segment. Further, the process of foraying into such new segments would require TTL to make long-term investments and commit significant resources before knowing whether these investments will eventually result in businesses that achieve client acceptance and generate the expected revenues and desired returns. There can be no assurance that TTL's competitors will not be able to develop similar products or solutions at a lower price than it can, which would have an adverse effect on TTL's competitive position. TTL's inability to deliver attractive and competitive products or to allocate the necessary resources for this purpose could delay or hinder the successful development, introduction or marketing of products in such businesses. If TTL is unable to achieve the anticipated returns in such new growth areas, it could have a material adverse effect on its business, results of operations and financial condition.

We are subject to risks associated with product liability, warranties and recalls.

We are subject to risks and costs associated with product liability, warranties and recalls in connection with performance, compliance or safety-related issues affecting our vehicles. From time to time, we may be subject to investigations by governmental authorities relating to safety and other compliance issues with our vehicles. In particular, as our vehicles become more technologically advanced, we are subject to risks related to their software and operation, including our advanced driver assistance systems automation. We 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 our consumers to question the safety or reliability of our vehicles, which may harm our reputation. Any harm to our reputation may result in a substantial loss of customers. For example, we commenced remedial 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"). The provision held at the end of FY 2022-23 with respect to the recall is GBP40 million.

The Motor Vehicle (Amendment) Act 2019 addresses vehicle recalls, road safety, traffic management and accident insurance, among other matters. It imposes civil and criminal liability on manufacturers selling vehicles in contravention of the standards specified in the act, or required by the Government of India to recall their vehicles. The MoRTH issued the final notification mandating detailed CMV Rules for Implementation of various provisions on Auto Recall and Non-compliance from April 1, 2021. The final notification stipulates Rules for Implementation of Sections 39-40 of the Motor Vehicles (Amendment) Act, 2019, dealing with procedures for investigation, officers empowered to conduct investigations, procedures for hearing, and the penalties to be levied thereof, for violation of standards prescribed in Section 110; procedures for recall of defective motor vehicles; the accreditation, registration and regulation of testing agencies; and the procedures for type approval of motor vehicles and confirmatory of production. The MoRTH has also issued final notification prescribing the Vehicle Percentage by category of owners reporting identical defects in reference to CMV Rule 127C: Defective Motor Vehicle and Recall Notice. With the intent of incorporating various checks and measures toward ensuring safer public and private transportation, the MoRTH has issued final notification toward implementation of WVSCoP from December 2022.

The Government of India is also setting up ambitious E20 targets to achieve 20% Ethanol blending by FY 2024-25. In the course of our business, we need to make investments to comply with laws and regulations and we may not necessarily be able to recover all these costs.

Furthermore, we may also be subject to class actions or other large-scale lawsuits pertaining to product liability or other matters in various jurisdictions in which we have 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 our brands. Any costs incurred or lost sales caused by product liability, warranties and recalls could materially adversely affect our business and reputation.

Exchange rate and interest rate fluctuations and hedging arrangements could materially and adversely affect our financial condition and results of operations.

Our operations are subject to risks arising from fluctuations in exchange rates with reference to countries in which we operate. We import capital equipment, raw materials and components from, manufacture vehicles in, and sell vehicles into, various countries, and therefore our revenues and costs have significant exposure to the relative movements of the GBP, the U.S. dollar, the Euro, the Chinese Renminbi, the

Singapore dollar, the Japanese yen, the Australian dollar, the South African rand, the Korean won and the Indian rupee. In addition, the strengthening of the British pound may negatively impact Jaguar Land Rover by diminishing the British pound value of its overseas sales. Moreover, although a trade agreement between the United Kingdom and the European Union was agreed in December 2020 and tariffs have, to date, been avoided, Brexit has continued to generate customs and other administrative frictions that may persist and ultimately impact the United Kingdom economy, thereby causing further volatility in the value of the British pound, which could affect our 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 it 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, we have outstanding foreign currency-denominated debt. We have experienced and could in the future experience foreign exchange losses on obligations denominated in foreign currencies in respect of our borrowings and foreign currency assets and liabilities due to currency fluctuations. We are exposed to changes in interest rates, as we have both interest-bearing assets (including cash balances) and interest-bearing liabilities, certain of which bear interest at variable rates (including Jaguar Land Rover's US\$1 billion term loan facility, the UK Export Finance ("UKEF") and commercial loan facilities and the United Kingdom fleet financing facility), whereas the existing notes bear interest at fixed rates. Although we engage in managing our interest and foreign exchange exposure by asset/liability matching and through the 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 our cost of borrowing. Please see note 41(B)(d)(i) – (b)] to our consolidated financial statements included elsewhere in this annual report for further detail on our exposure to fluctuations in interest rates.

Appropriate hedging lines for the type of risk exposures we are 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 our exposure to fluctuations in currency exchange rates to a certain extent, we potentially forego 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 our internal hedging policies and procedures are not followed or do not work as planned.

In addition, because our potential obligations under the financial hedging instruments are marked to market, we may experience quarterly and annual volatility in our operating results and cash flows attributable to our financial hedging activities.

Any of the above may have a material adverse effect on our financial condition, results of operations and liquidity.

Changes or uncertainty in respect of LIBOR, IBORs, SONIA and/or SOFR may adversely affect some of our financing arrangements.

On March 5, 2021, the UK Financial Conduct Authority announced that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after December 31, 2021, in the case of the one-week and two-month U.S. dollar settings, and (b) immediately after June 30, 2023, in the case of the remaining U.S. dollar settings. In addition, among other developments, relevant authorities are strongly encouraging the transition away from Interbank Offered Rates ("IBORs"), such as LIBOR, and have identified "risk-free rates", such as SOFR, or SONIA, to eventually take the place of such IBORs as primary benchmarks. Such risk-free rates, including SOFR, have a different methodology and other important differences from the IBORs they will eventually replace and currently have little historical track record. The implementation of such reforms and consequential changes to benchmark indices may cause such indices to disappear entirely or perform differently than in the past, which could have a material adverse effect on the yield or value of our financing arrangements.

With the discontinuation of interest rate benchmarks such as LIBOR or U.S. dollar LIBOR, the rate of interest applicable to certain of our financing arrangements may be determined by applicable contractual fallback provisions. Such provisions may not have been tested, and there is a risk they may not operate as intended. In addition, there can also be no assurance that we will be able to negotiate amendments to our financing arrangements on terms acceptable to us, or at all. Moreover, there can be no assurance that any successor benchmark will not have other consequences that will adversely impact our financing arrangements.

More generally, any of the above matters or any other significant change to the setting or existence of interest rate benchmarks could affect the amounts available to us

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to meet our obligations under our financing arrangements and/or could have a material adverse effect on the value or liquidity of, and the amounts payable under, our financing arrangements. Changes in the manner of administration of interest rate benchmarks could also result in adjustment to the conditions applicable to some of our financing arrangements or may have other consequences on our financing arrangements.

Potential changes to our business through mergers, acquisitions and divestments may have a material adverse effect on our future results and financial condition.

We believe that our acquisitions provide us with opportunities to grow significantly in the global automobile markets, including premium brands and products, and provide us with access to technology, additional capabilities and potential synergies. We regularly examine a range of corporate opportunities, including suitable mergers, joint ventures, acquisitions and divestments, with a view to determining whether those opportunities will enhance our 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 we may be unable to integrate, manage or separate the relevant subsidiaries, divisions and facilities effectively within our expected schedule. A transaction may not meet our 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 our 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 our operations or results.

As a part of strategy to achieve near zero net auto debt by FY 2024-25, we are also looking at divesting certain non-

core investments and unlocking value. For instance, the IPO Committee [duly constituted by the Board of Directors of Tata Motors Limited, at its meeting held on December 12, 2022 accorded its in-principle approval to explore the possibility of partial divestment of the Company's investment in Tata Technologies Limited ["TTL"], a subsidiary of the Company, through an IPO route at an opportune time, subject to market conditions, applicable approvals, regulatory clearances (including observations from the Securities and Exchange Board of India ("SEBI")) and certain other considerations. Subsequently, TTL filed a draft red herring prospectus dated March 9, 2023 with SEBI for an IPO by way of an offer for sale of up to 95,708,984 equity shares for cash, representing approximately 23.60% of its paid-up share capital. The IPO comprises an offer for sale of (a) up to 81,133,706 Equity Shares by Tata Motors Limited, (b) up to 9,716,853 Equity Shares by Alpha TC Holdings Pte. Ltd. and (c) up to 4,858,425 Equity Shares by Tata Capital Growth Fund I, each representing up to 20%, 2.40% and 1.20%, respectively, of Tata Technologies' paid-up share capital. If we are unable to divest our non core investments and unlock value, it could have an impact on our deleveraging plans and increase the interest costs, thereby affecting our profitability.

If we are unable to manage any of the associated risks successfully, our business, prospects, financial condition and results of operations could be materially and adversely affected.

We entered into agreement with TPG Rise to secure funding of USD 1 billion (₹ 7,500 crores) through convertible instruments for a stake of 11% to 15% in the EV business, depending upon the conditions precedent. If the business fails to ramp up the volumes to plan or does not fulfill other necessary conditions, it would lead to lower valuation and dilution of a higher stake in EV Company and may also affect any future prospects of strategic actions.

We recently completed the acquisition of Ford's Sanand facility for a purchase consideration, exclusive of taxes of ₹ 725.7 crores. We also paid ₹9.8 crores towards employee severance cost for the erstwhile employees of Ford India Private Limited, who have not accepted to continue their employment with us. With existing capacities near saturation, this acquisition will unlock an additional state-of-the-art manufacturing capacity of 300,000 units per annum which is scalable to 420,000 units per annum. It is critical for the business to unlock capacities to improve the growth further. Getting the plant operational within the desired timelines is critical for the success of business. If we are unable to complete the necessary reconfigurations of the plant, successfully deploy the plant and machinery, and complete investments in Gen 2 and Gen 3 platforms within the timelines, it could cause significant overlays in terms of costs and affect our financial performance and results of operations. Further, as a result of

upward revision in the statutory rates, we may also have to incur higher costs towards payment of land transfer premium. In addition, we are also subject to risks pertaining to delays in transfer of Fiscal Incentives from Ford India Private Limited to TPEML. Any such factors may have a material adverse effect on our future results and financial condition.

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). We 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 our business, accounting for 65.8% of our total revenues in FY 2022-23. As a result of the acquisition, we are 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 we have undertaken in the past or will undertake in the future will not have a material adverse effect on our business, financial condition and results of operations, as well as our reputation and prospects.

Our strategy to grow the business through capital investments may not be successful or as successful as we expect.

Our strategic priorities to grow our 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 2.0 billion in FY 2021-22 and GBP 2.4 billion in FY 2022-23. Total product and other investment expenditure guidance for FY 2023-24 is approximately GBP 3.0 billion, with the Refocus program announced under the Reimagine strategy expected to continue to maintain the financial discipline successfully deployed previously under Project Charge+ and other initiatives.

Our total product and other investment spending for domestic business was ₹ 6,812 crores for FY 2022-23. We have plans to significantly step up our capital expenditure for our domestic business, and it is expected to be around ₹ 8,000 crores in FY 2023-24. TML continues to monitor the external challenges of dynamically managing capital expenditure and implementation of further cash improvement measures.

For FY 2023-24, on a consolidated basis, we expect to invest around ₹38,000 crores in property, plants and equipment and product development. We expect our businesses to largely remain self-sustaining, and we aim to fund total product and other investment spending primarily with cash flows from operating activities supported by debt capital markets activities and bank funding, as required.

We are also expanding our growth in domestic business with a focus on large-scale fleet contracts. Such large contracts come with execution risks. If we are unable to comply with various terms of agreement or fulfill the necessary specifications and timelines, we may incur penalties; it would adversely damage our reputation and significantly affect our financial performance and results of operations.

Further, Tata Motors Limited is also expanding its business through mass mobility solutions whereby vehicles are sold through an own, maintain and operate model offered at a "per kilometer" rate. A separate business vertical has been carved out for this business. Such business model requires deployment of significant investments and contracts are of a longer tenure, increasing the risks and balance sheet size. If we are unable to find right financing structure for this business or there are delays in collections, or our revenues are not able to cover our costs, it would adversely affect our revenues, profitability and liquidity. The Government of India is also setting up ambitious E20 targets to achieve 20% Ethanol blending by FY 2024-25. In the course of our business, we need to make investments to comply with laws and regulations and we may not necessarily be able to recover all these costs.

As we increase our EV sales and penetration, we may also be required to undertake sizable investment in EV component related ecosystem, in order to secure our supplies and mitigate the risks of rising battery prices.

To give impetus to the "Made in India" project and attract investments, the Government of India has announced Production Linked Incentive ("PLI") scheme for 13 core sectors, including automotive OEMs and automotive component manufacturers with budgeted outlays of over ₹25,938 crores, for the automotive sector over the five years commencing April 2022. TML applied and successfully received the approval from the Government of India as an eligible company / group, including four of its subsidiaries, namely, Tata Motors Passenger Vehicles Ltd. ("TMPVL"), Tata Passenger Electric Mobility Ltd. (TPEML), Tata Motors Body Solutions Limited ("erstwhile Tata Marcopolo Motors Limited") and Jaguar Land Rover India ("JLR India") under the category "Champion OEM" for manufacturing of advanced automotive technology vehicles, i.e., EVs and fuel cell EVs. The quantum of incentive earned by TML Group each year would depend on fulfilling all the criteria for each year, as

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well as cumulatively; these included, for example year-on-year growth criteria in Determined Sales Value, meeting the criteria of cumulative new domestic investment, and meeting the criteria of minimum 50% Domestic Value Addition for each approved Vehicle Model under the guidelines.

Though TML and Group companies have a robust action plan to fulfil all the above criteria year on year/ cumulatively, but as most of the above depends upon many external factors, including demand of EVs and development of entire ecosystem, including charging infrastructure, the quantum of benefits, which TML would earn in future cannot be ascertained at this moment.

If we are unable to effectively secure the benefits of PLI and / or our competitors are able to reap the benefits better than us, it would materially and adversely affect our pricing, revenues, financial performance and results of operations and also severely impact our competitiveness in the markets.

The targets described above represent our 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, our present and future business strategies, volume growth, cost efficiencies, capital spending program and the environment in which we operate, which may prove to be inaccurate. While we do not undertake to update our targets, we may change our targets from time to time. Actual results may differ materially from our targets. Accordingly, there can be no assurance that we will achieve any of our 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 our control and could have an immediate impact on our earnings and/or the probability of which may be exacerbated in the medium to long term, could materially affect our ability to realize the targets described above. In particular, our capital spending target could be affected by investment needs arising from, among other factors, electrification, emissions compliance, driver assistance, connectivity and mobility trends. Our ability to achieve our targets may also be materially impaired by negative geopolitical and macroeconomic factors (see "—Deterioration or uncertainty in global economic conditions could have material adverse impact on our business, sales and results of operations" for more information), the competitive nature of our industry, industry trends, including market and competitive forces (such as higher incentives), new or the expansion of existing regulatory constraints, reduced customer demand for our vehicles, significant increases in our cost base, unexpected delays or failure in implementing or realizing the benefits of our investments.

The EV market and related opportunities may not evolve as anticipated.

There is a global trend, particularly in developed markets, toward increased use of EVs (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 the UK, Norway and the Netherlands, have announced goals of banning new petrol and diesel cars. The Government of India has also been encouraging adoption of EVs and is working closely with the industry to address challenges and accelerate the adoption of EVs in India. As we consider our strategy, we may over time increase our focus on the production of EVs, make more investments in this area and position ourselves as a leading producer of EVs. Sales of EVs are hard to predict as consumer demand may fail to shift in favor of EVs, and this market segment may remain small relative to the overall market for years to come. Consumers may remain or become reluctant to adopt EVs due to the lack of fully developed charging infrastructure, long charging times or increased costs of purchase.

Further, as a part of our strategy, we have been focusing on electrification for our Passenger Vehicles business which will help us surpass the regulatory requirements. We are closely watching the evolution of market and consumer preferences in India. The EV adoption is still at early stages and hybrids may emerge as a possible alternative owing higher fuel efficiency, with some of the competitors having more focus on hybrids in the near term. As a result, if hybrids emerge more successful in the near future, we may be compelled to introduce hybrids to cater to the customer requirements and, as a result of this, it could have adverse effects on our business, prospects, financial condition and result of operations.

If the value proposition of EVs fails to fully materialize, this could have a material adverse effect on our business, prospects, financial condition and results of operations. In February 2021, our Jaguar Land Rover business announced a change in direction under the Reimagine strategy whereby Jaguar would become a pure electric (100% BEV) automotive brand from 2025. First Land Rover BEV product is expected to be launched in 2024 and a further five Land Rover models offering BEV options are expected to be launched by 2026 (a total of six Land Rover models offering a BEV option). Furthermore, over 60% of JLR's 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 we will be successful in meeting consumer demands with our new and/or improved products. If we are unable to meet our BEV development goals, this could have a material adverse effect

on our business, prospects, financial condition and results of operations.

We are 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 our results of operations and the markets in which we operate.

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 addition, governments around the world are increasingly announcing commitments to ban the sale of conventionally fueled vehicles in the coming decades. We endeavor to take account of climate protection and the ever more stringent laws and regulations that have been adopted in response to climate change. We are focusing on researching, developing and producing new drive technologies, such as hybrid engines and electric cars. We are also investing in development programs to reduce fuel consumption through the use of lightweight materials, reducing losses through the driveline and improvements in aerodynamics. There is a risk that these R&D activities will not achieve their planned objectives or that our competitors will develop better solutions and will be able to manufacture the resulting products more rapidly, in larger quantities, of a higher quality and/or at a lower cost than us.

The emissions levels of diesel technologies have also become the focus of legislators in the United States and European Union, and some of our competitors have announced programs to retrofit diesel vehicles with software that will allow them to reduce emissions. Such actions by our competitors may require us to undertake increased R&D spending as well as other capital expenses. In addition, changes to the European emissions tests of the Worldwide Harmonized Light Vehicle Test Procedure ("WLTP") in September 2018 made models non-compliant with emissions limits subject to additional taxes. As a result of the changes, manufacturing costs increased and consumer uncertainty grew. There is a risk that these R&D activities, including retrofit software upgrades, will not achieve their planned objectives or that our 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 than us.

Coupled with increased consumer preferences for more environmentally friendly models, including PHEVs and EVs, failure to achieve our planned objectives, such as execution of Jaguar Land Rover's Reimagine strategy or delays in developing fuel-efficient products could materially affect our ability to sell luxury Passenger Cars and luxury large-

or medium-size all-terrain vehicles at current or targeted volumes and could have a material adverse effect on our general business activity, net assets, financial position and results of operations. There is a risk that our 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.

Hydrogen fuel cell technology is emerging as a possible alternative for replacing fossil fuels. TML has taken significant steps and has been leading in the development of hydrogen-powered vehicles. TML won a tender of 15 Hydrogen Fuel Cell buses from Indian Oil Corporation ("IOCL"). Like any other fuel, there are risks associated with hydrogen fuel technology too. Hydrogen is by nature highly combustible requiring careful handling and TML has been proactively adhering to the legislative and industry standards related to its storage, transportation and product development.

Not all the hydrogen procured would be eco-friendly and higher efforts are required around generation of green hydrogen. The technology has not attained maturity and is far from mass adoption due to lack of available infrastructure, higher acquisitions costs and total cost of ownership. If we are not able to develop cost-efficient solutions, develop an enabling ecosystem with stakeholders and introduce the right kind of technology, it could affect our future plans. The hydrogen fuel technology adoption in India is at nascent stages and if there were any mishaps, it could potentially damage to our reputation and brand equity. In addition, our manufacturing operations, supply chain and sales may be subject to the 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 our products, as well as the cost and availability of raw materials and components.

The Corporate Average Fuel Economy ("CAFE") standards applicable to M1 category vehicles required us to demonstrate CAFE compliance for our Passenger Vehicles, Commercial Vehicles and Electric Vehicles M1 models. Any non-compliance could lead to penalties, product recalls and/or other punitive measures. Through the use of the CAFE calculator, we regularly monitor production volumes and processes to ensure that organizational-level CAFE compliance (which will require us 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 our compliance obligations, our overall product portfolio needs to be enhanced with the incorporation of electric and hybrid vehicles as well as the inclusion of environmentally friendly technological features in existing and forthcoming models.

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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 our general business activity and on our business, prospects, financial condition and results of operations.

Sustainability is being brought to the center of our business strategy. There has been increased focus from various stakeholders toward sustainable business practices. As a responsible business and being part of the Tata Group, TML is committed to significantly reducing its GHG emissions to ultimately achieve Net zero emissions. We are continuing to work toward transitioning to improved fuel efficiency of ICE vehicles across Commercial Vehicles and Passenger Vehicles, increasing the 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, JLR's aim is to achieve Net Zero carbon emissions across its supply chain, products and operations by 2039. If we are unable to achieve these objectives, our reputation, business and results of operations may be adversely affected. We aim to achieve Net Zero targets for our PV business in 2040 and CV business in 2045. While we are working on aggressively scaling up EV penetration and exploring options of using cleaner emission-free technologies, there may be challenges to meet Net Zero commitments for the CV business, especially due to the presence of higher tonnage vehicles where the payload capacities are very high.

If we are not able to meet the ESG goals, it may also cause financial outflows in the form of penalties, purchase of carbon credits to comply with future regulations. This could significantly and materially affect financial performance, more importantly cause reputational damage.

Underperformance of our distribution channels may adversely affect our sales and results of operations.

Our 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 our dealers or

distributors could materially and adversely affect our sales and results of operations.

The COVID-19 pandemic's enforced lockdowns across key regions have adversely affected the financial performance of our dealers in past and any such headwinds if they occur would affect our dealers in future.

If dealers or importers encounter financial difficulties and our 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 we 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 our vehicle deliveries. For instance, the economies of countries where we operate such as Bangladesh, Nepal and Sri Lanka have been affected as a result of economic slowdown as a result of which our dealers have also faced challenges.

Consequently, we 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 our financial position and results of operations in the short term.

In order to optimize market performance, sales channels must be aligned to the buying habits of our customers, including through traditional showrooms but also by embracing increasingly more innovative sales channels, such as virtual showrooms and online purchasing supported by "click and deliver" initiatives. Inadequate sales and service performance could negatively impact our reputation and brands. Failure to deliver a superior sales service through the retailer channels will lead to a weakening in our competitive advantage, potentially impacting our business and financial performance.

Globally, OEMs are constantly developing their distribution strategies and distribution models. For instance, some OEMs are exploring "direct to consumer" routes for sales. Jaguar and Land Rover are exploring direct to consumer selling for future sales in some markets. Such a model may bring higher top line revenues and increase overall profitability of the business but it may lead to finished vehicle inventory moving from retailers to Jaguar Land Rover and consume working capital.

Furthermore, as part of our global activities, we may engage with third-party dealers and distributors, whom we do not control, but who could nevertheless take actions that may have a material adverse impact on our reputation and business. We cannot assure you that we will not be held liable for any activities undertaken by such third parties.

The delisting of our ADSs from the New York Stock Exchange (the "NYSE") and our intended deregistration under the Exchange Act may influence or have influenced the trading opportunities and trading price of our Shares and the voting and dividend rights of ADS holders, and may cause adverse tax consequences for the ADS holders.

Our ADSs have been delisted from the NYSE effective close of trading on the NYSE on January 23, 2023. We will continue to be subject to reporting obligations under the Exchange Act until we can terminate and/or suspend our reporting obligations to the SEC under the Exchange Act. As a consequence of the delisting becoming effective, the amended and restated deposit agreement, dated as of September 27, 2004 and as amended as of December 16, 2009, by and among the Company, Citibank, N.A. (the "Depositary"), and all holders and beneficial owners of ADSs (the "Deposit Agreement"), under which the ADSs were issued has also been terminated effective close of trading on the NYSE on January 23, 2023 ("Termination Date of the Deposit Agreement"). After the ADSs were delisted from the NYSE, there has been no over-the-counter market trading of the ADSs in the United States due to regulatory restrictions under Indian law. As a result, investors may not have or have had sufficient liquidity, making it more difficult for holders of the ADSs to sell their securities. In addition, the delisting and the termination of our ADS Program may result or have resulted in holders of the Company's ADSs surrendering their ADSs in exchange for the underlying Shares and selling them on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). Such sales may affect or have affected the price of our Ordinary Shares listed on the BSE and NSE.

At any time prior to the expiration of six months from the Termination Date of the Deposit Agreement (the "ADS Cancellation Cut-off Time"), each ADS holder is entitled to surrender the respective ADSs for cancellation and to obtain the delivery of the Ordinary Shares relative to each ADS surrendered, upon payment by the ADS holder of any sums payable to the Depositary pursuant to the terms and conditions of the Deposit Agreement. ADS holders will also need to have a DR-Type demat account in India for receiving the underlying Ordinary Shares on surrender of the ADSs. Neither the Company nor the Depositary will provide assistance in establishing such account. In addition, ADS holders would continue to have the right to receive dividends (if any) until the ADSs are cancelled such dividends are liable to withholding at the applicable rates of tax in India as per the Indian Income Tax Act 1961. However, ADS holders will not be able to exercise any voting rights from the Termination Date of the Deposit Agreement.

Cancellation of ADSs into Ordinary Shares will not attract any tax in India as per the Income Tax Act in India. However, capital gains realized on the subsequent transfer of Ordinary Shares (received on surrender of the ADSs), whether in India or outside India to a non-resident of India or Indian resident, will be liable for short-term or long-term capital gains tax under the provisions of the Income Tax Act, 1961. Ordinary Shares held for a period of more than 12 months will be treated as long-term capital assets and the capital gains arising on the sale thereof will be subject to long-term capital tax in India. If the Ordinary Shares are held for a period of 12 months or less, such Ordinary Shares will be treated as short-term capital assets and will be subject to short-term capital gains tax in India. ADS holders should consult their respective tax advisors for application of any Indian taxes and foreign tax credit rules to any Indian or foreign taxes that the ADS holders are subject to in respect of a sale or disposition of the Ordinary Shares including evaluation of any tax treaty benefits.

At any time after the expiration of six months from the Termination Date of the Deposit Agreement, if the ADS holders have not surrendered their ADSs for cancellation as well as receipt of the corresponding Ordinary Shares prior to the ADS Cancellation Cut-off Time, the Depositary will promptly as commercially practicable sell the underlying Ordinary Shares and distribute the net proceeds of the sales to the remaining ADS holders (after conversion into U.S. dollars), less fees and applicable withholding taxes, pursuant to the Deposit Agreement. The withholding tax will be applied at the maximum rate of 40% on the gross proceeds plus applicable rate of surcharge and cess (effective rate of approximately 43.68%) and be deposited to the credit of the Government of India. ADS holders subject to withholding taxes on the sale of the underlying Ordinary Shares may be eligible to reclaim some or all of the taxes withheld in India. The Depositary will send a notice to the ADS holders on the tax reclaim process in connection with sale of the underlying Ordinary Share post the ADS Cancellation Cut-off Time. However, neither the Company, nor the Depositary, will provide any assistance in the tax reclaim process. In addition, if a record date for a dividend is set prior to such sale, then the ADS holders as of the record date would be entitled to the dividend subject to withholding tax at applicable rates as per Indian Income Tax act 1961, even if the Ordinary Shares are sold prior to dividend payment date.

We are more vulnerable to reduced demand for premium cars and all-terrain vehicles than automobile manufacturers with a more diversified product range.

Jaguar Land Rover operates in the premium Passenger Cars and luxury all-terrain vehicles segments, and provides a

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more limited range of models than some of its competitors. Furthermore, some other premium performance vehicle manufacturers operate in a relatively broader spectrum of market segments, which makes them comparatively less vulnerable to reduced demand for any specific segment. Accordingly, JLR'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 luxury all-terrain vehicles, or any reduced demand for JLR's most popular models in the geographic markets in which it operates, could have a material adverse effect on our 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 our 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 customers' financial condition, their willingness to invest and available financing. The geo political tensions and rising energy costs as a result of supply issues in Europe, volatility in economic conditions across our key markets and inflationary scenario may have an impact on consumers buying power. 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 our 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 our business, sales and results of operations" for more information. 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 our revenue, financial condition and results of operations.

We may be adversely affected by labor unrest.

All of our permanent employees in India, other than officers and managers, and most of our permanent employees in our automotive business in South Korea and the United Kingdom, including certain officers and managers, are members of labor unions and are covered by our wage agreements, where applicable, with those labor unions.

In general, we consider our labor relations with all of our employees to be good. However, in the future we may be subject to labor unrest, which may delay or disrupt our 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 our facilities or at the facilities of our major vendors occur or continue for a long period of time, our business, prospects, financial condition and results of operations may be materially and adversely affected. For example, during FY 2017-18, we faced two stand-alone incidents of labor unrest in India, one at our Jamshedpur plant and the other at our 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 wage negotiations in relation to wage agreements covering approximately 75% of our employees in the United Kingdom, and a new agreement with the United Kingdom trade union was completed in June 2021 and agreed upon for two years. 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. Our unionized employees outside of the United Kingdom are members of separate local trade unions and, as such, subject to separate local agreements.

In India, Tata Motors Limited had been granted an exemption with effect from November 1, 1952, in respect of the Provident Fund Scheme and had accordingly set up its own Provident Fund Trust, the Tata Motors Limited Provident Fund Trust (the "TMLPFT"), and has been administering its own scheme in lieu of the Employee's Provident Fund Scheme 1952. Of the 31 conditions required to maintain such exemption, TML has breached one condition relating to reporting losses for three consecutive financial years, following the declaration of the stand-alone (India operations) financial results for FY 2021-22. As a result, the exemption available to TML to operate its own provident fund has been mandatorily withdrawn from the first day of succeeding financial year (i.e., from April 1, 2022), and TML had to forthwith report the same to the Employees Provident Fund Organization ("EPFO") and commence compliance as a non-exempted establishment with effect from the said date.

Provident fund accounts with the TMLPFT had consequently been frozen until the transfer was completed. Given the high volume and value of the funds, the transfer of the accounts and account balances from the TMLPFT to EPFO has taken several months. Many employees who had planned withdrawals as allowed under the scheme were not able to complete such withdrawals until the transfer from the TMLPFT to the EPFO was completed. As of the date of this annual report all such transfers have been completed and the account balances are now available to the employees.

Given the cyclical nature of automotive business, we have employed temporary workers at our manufacturing plants, including in production activities. With changes being proposed by new labor code and recent pronouncements by Indian courts, including one against TML by the Bombay High Court on practice of employment of temporary workers, we are re-examining our staffing model.

We are re-evaluating our options in the light of these recent developments. These include: (i) leveraging government-approved training schemes, including NAPS, NEEM, Trade Apprentice and others, which enables us to engage trainees for defined period and contribute to government plans to educate and provide skills to youth in India, (ii) leveraging automation, (iii) work content reduction, and other measures.

Our business and prospects could suffer if we lose one or more key personnel or if we are unable to attract and retain our employees.

Our business and future growth depend largely on the skills of our workforce, including executive 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. Our business requires an engaged workforce with core capabilities in new and emerging skill areas and a collaborative and innovative culture for our transformation to be successful. If we fail to develop new and flexible skills and capabilities within our workforce, or we fail to hire appropriate talent, our 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 key personnel could impair our ability to implement our business strategy. Any prolonged inability to continue to attract, retain or motivate our workforce could materially and adversely affect our business, financial condition, results of operations and prospects. Any shortages of labor could lead to demands for higher wages, which could increase the labor costs of our business.

We may be adversely impacted by terrorism, natural disasters and epidemics.

Our products are exported to a number of geographical markets, and we plan to further expand our international operations in the future. Consequently, we are subject to various risks associated with conducting our business both within and outside our domestic market and our operations in markets abroad may be subject to terrorism, natural disasters and extreme weather, fuel shortages and epidemics and pandemics (such as the COVID-19 pandemic). Any disruption of the operations of our manufacturing, design, engineering, sales, corporate and other facilities could materially and adversely affect our business, prospects, financial condition and results of operations. In addition, conducting business internationally, especially in emerging markets, exposes us 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 we would be able to shift our manufacturing, design, engineering, sales, corporate and other operations to alternative 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 our operations related to these risks could materially and adversely affect our business, prospects, financial condition and results of operations. See "We have been, and may continue to be, adversely affected by the COVID-19 pandemic" for more information. Also see "Rising Geo-Political risk including the ongoing conflict between Russia and Ukraine could have an impact on our business and results of operations" for more information.

Terrorist attacks, civil disturbances, regional conflicts and other acts of violence, particularly in India, may disrupt or otherwise adversely affect the markets in which we operate, our business and our profitability. India has from time to time experienced social and civil unrest and hostilities and adverse social, economic or political events, including terrorist attacks, local civil disturbances and riots. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on our 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 our business, prospects, results of operations and financial condition, and also the market price of the Company's Shares and ADSs.

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Our business is seasonal in nature and a substantial decrease in our sales during certain quarters could have a material adverse impact on our financial performance.

The sales volumes and prices for our vehicles are influenced in part by the cyclical and seasonality of demand.

In the Indian market, demand for our 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. Further, our rural demand for Commercial Vehicles comes largely from agriculture and allied sectors. Any adverse events such as below par monsoon or significant shifts in rainfall patterns could affect consumer sentiment and demand for our vehicles.

Our 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 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 all of its manufacturing plants in the United Kingdom (including the Engine Manufacturing Center ("EMC") at Wolverhampton) and Slovakia during the Easter, summer and winter holiday periods.

Restrictive covenants in our financing agreements could limit our operations and financial flexibility and materially and adversely impact our financial condition, results of operations and prospects.

Some of our financing agreements and debt arrangements set limits on and/or require us to, among other matters, obtain lender consent before pledging assets as security. In addition, certain financial covenants may limit our ability to borrow additional funds or to incur additional liens. In the past, we

have been able to obtain required lender consent for such activities. However, there can be no assurance that we will be able to obtain such consents in the future. If our liquidity needs or growth plans require such consents and such consents are not obtained in the future, we may be forced to forego or alter our plans, which could materially and adversely affect our business, prospects, financial condition and results of operations.

In one of our subsidiaries, we could not meet certain covenants and have obtained the waiver for FY 2021-22 and FY 2022-23. The outstanding term loan as of March 31, 2023, is ₹15.2 crores.

In addition, in the event we breach 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 our financing agreements could have a material adverse effect on our 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 our pension plans could decline.

We provide post-retirement and pension benefits to our employees, including defined benefit plans. Our 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 our pension liabilities or assets and consequently increase funding requirements. Further, any changes in government regulations may adversely impact the pension benefits payable to employees, which could materially decrease our net income and cash flows.

The Indian Parliament has enacted the Code on Social Security, 2020 (the "Code"), and shall come into force on such date as the Central Government may by notification in the official Gazette, appoint. The Code would impact the contributions by the Company toward Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code 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 conduct evaluation once the subject rules are notified and will reflect the appropriate impact in its financial statements for the period in which the

Code becomes effective and the related rules to determine the financial impact are published.

Jaguar Land Rover offers post-retirement and pension benefits to its employees, some of which are defined benefit plans. As part of JLR's strategic business review process, JLR closed its defined benefit pension plans to new joiners as of April 19, 2010. All new JLR employees in its United Kingdom operations from April 19, 2010, are offered 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.

The latest statutory valuation as at March 31, 2021 for cash funding purposes was completed on June 30, 2022. The valuations resulted in revised schedules of contributions effective from July 1, 2022. At the point the valuations were agreed each plan was in surplus, therefore, there are no further deficit recover contributions currently payable. The ongoing Group contribution rate for UK defined benefit accrual for FY23 was 24% of pensionable salaries in the UK, however following changes in financial conditions, this was reduced to 10 per cent from April 1, 2023. The ongoing rate will vary to reflect prevailing financial conditions over time. The next statutory funding valuations are scheduled as at March 31, 2024 and are expected to be completed by June 30, 2025.

On the accounting basis as at March 31, 2023, JLR reported GBP 637 million surplus as compared to a surplus (net) of GBP 409 million as at March 31, 2022, and a deficit of GBP 387 million as at March 31, 2021. This change was primarily due to an increase in the discount rate used to value the liabilities.

The Supreme Court of India's judgment in the case of Employees' Provident Fund Organization (EPFO) and Anr. Etc. vs. Sunil Kumar B. and Ors. Etc., allows the members of the statutory pension fund as on September 1, 2014, to exercise the joint option for contribution into the pension fund beyond the statutory limit. Paragraph 37 of the Supreme Court's judgment clearly stated that the Court was not addressing the case of the exempted establishments. The Company has been legally advised that due to incurrance of losses for three consecutive years, the Company has lost its pension fund exemption with effect from April 1, 2022. However, the Company is still maintaining the pension fund, as an interim measure, since the EPFO has still not accepted the transfer of pension fund/corpus to its statutory pension fund. Considering that the EPFO is in the process of providing clarity on various key elements on the pension scheme, the non-applicability of the Supreme Court judgement to exempted establishments and the legal advice on status of the exemption, the Company believes that no provision is warranted on this matter as of March 31, 2023.

Jaguar Land Rover has a limited number of manufacturing, design and engineering facilities and any disruption in the operations of those facilities could adversely affect our business, financial condition or results of operations.

Jaguar Land Rover has four wholly-owned manufacturing facilities and two design and engineering centers in the United Kingdom, a manufacturing plant in Slovakia, a manufacturing plant in Brazil and a manufacturing facility in China, which it owns together with our joint venture partner Chery, among other manufacturing locations. We could experience disruptions to our manufacturing, design and engineering capabilities for a variety of reasons, including, among others, extreme weather, fire, theft, system failures, natural catastrophes, mechanical or equipment failures and similar risks. We are particularly exposed to such disruptions due to the limited number of our facilities. Any significant disruptions could adversely affect our ability to design, manufacture and sell our products and, if any of those events were to occur, we cannot be certain that we would be able to shift our design, engineering and manufacturing operations to alternative sites in a timely manner, or at all. Any such disruption could therefore materially affect our business, financial condition or results of operations.

We may be materially and adversely affected by the divulgence of confidential information.

Although we have 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, we 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 our reputation, business, financial condition, results of operations and cash flows.

Our 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 our business. Our success depends on the ability of our 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

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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 our management. If faced with actions by activist shareholders, we may not be able to respond effectively to such actions, which could be disruptive to our business.

Inability to protect or preserve our intellectual property could materially and adversely affect our business, financial condition and results of operations.

We own or otherwise have rights in respect of a number of patents and trademarks relating to the products we manufacture. In connection with the design and engineering of new vehicles and the enhancement of existing models, we seek to regularly develop new technical designs and innovations. We also use 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 our business and may continue to be of value in the future. Although we do not regard any of our 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 our intellectual property rights, may have a materially adverse effect on our operations, business and/or financial condition. We may also be affected by restrictions on the use of intellectual property rights held by third parties, and we may be held liable for the infringement of the intellectual property rights of others in our products. Moreover, intellectual property laws of some foreign countries may not protect our intellectual property rights to the same extent as U.S. or UK laws.

We also have our wholly-owned subsidiary Tata Motors European Technical Centre PLC based in the United Kingdom, engaged in number of collaborative projects in low carbon technology, and electric and hybrid vehicle technology for future passenger and light commercial vehicles. Trilix, located in Italy, is engaged in commercial art and graphic design. If there is theft or compromise of data, technology, and intellectual property such as technical data, business processes, data sets, or other sensitive information, it could cause a material adverse impact on our operations.

We may incur significant costs to comply with, or face civil and criminal liability for infringements of, data protection laws in the markets in which we operate.

Data privacy rules are continuing to evolve around the world. These rules are generally designed to limit our rights to process personal data and have placed obligations upon us to ensure that the data we hold is adequately protected. Recent examples of legislation that we must comply with include the European Union's GDPR, which was implemented in 2018, and China's Personal Information Protection Law, which was implemented in 2021. These rules have led to an increased compliance burden for the Company and we may face fines, civil liabilities or other criminal liabilities for non-compliance with these rules. Our failure to implement and comply with data protection laws could significantly affect our reputation and relationships with our customers and suppliers, and civil and criminal liabilities for the infringement of data protection rules could have a significant negative effect on our financial position.

Some of our vehicles make use of lithium-ion battery cells, which have been observed in some 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 we use, and expect to continue to use, in our EVs 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, we store a significant number of lithium ion cells at various warehouses and at some of our manufacturing facilities.

While we have designed our battery packs to passively contain any single cell's release of energy without spreading to neighboring cells, there can be no assurance that a field or testing failure of our vehicles will not occur. Furthermore, while we have implemented safety procedures related to the handling of the cells at our manufacturing plants, there can be no assurance that a safety issue or fire related to the cells will not occur. Any such incidents could have

significant environmental and social impacts and may cause serious damage or injury may disrupt the operation of our facilities. In addition, any field or testing vehicle failure, even if such incident does not involve our vehicles, could subject us to lawsuits, product recalls, redesign efforts or negative publicity, all of which could have a material impact on our business, prospects, financial condition and operating results. Similarly, such instances, if they occur, could also affect our sustainability and emissions ambitions.

Any failures or weaknesses in our internal controls could materially and adversely affect our financial condition and results of operations.

The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and to expend resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. The measures we take may not be sufficient to satisfy our obligations as a public company and if we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our results of operations.

For example, in connection with our assessment of internal control over financial reporting for FY 2019-20, we 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. We believe that this material weakness has been remediated in FY 2020-21. Although we have instituted remedial measures to address the material weakness identified and continually review and evaluate our internal control systems to allow management to report on the sufficiency of our internal controls, we cannot assure you that we will not discover additional weaknesses in our 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 our financial condition or results of operations and/or our ability to accurately report our financial condition and results of operations in a timely and reliable manner.

Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, which may have a material adverse effect on our business, financial condition and results of operations.

While we believe that the insurance coverage we maintain adequately covers the normal risks associated with the operation of our business, there is a risk that certain claims under our 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 our 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 GHG and other emissions, vehicle safety and taxes, tariffs or fiscal policies may have a significant impact on our business.

We are subject to extensive governmental regulations regarding vehicle emissions levels, noise, safety and levels of pollutants generated by our production facilities. We expect the number and extent of legal and regulatory requirements and our related costs of compliance to continue to increase significantly in the future. To comply with current and future environmental norms, we may have to incur additional capital expenditures and R&D expenditures to upgrade manufacturing facilities, install new emissions controls or reduction technologies and purchase or otherwise obtain allowances to emit GHGs, which may have an impact on our cost of production.

Our vehicles are also subject to significant regulation around the world relating to GHG and other emission levels. We expect these rules to continue to become more stringent in the future and any requirements to optimize vehicles in line with these governmental actions could significantly affect our 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 we sell and where we sell them, which may affect our revenue. If we are unable to develop commercially viable technologies or otherwise attain compliance within the time frames set by new standards, we could face significant civil penalties or be forced to restrict product offerings drastically to remain in compliance.

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Moreover, safety and environmental standards may at times impose conflicting imperatives, which would pose engineering challenges and, among other things, increase our costs. While we are pursuing the development and implementation of various technologies in order to meet the required standards in the various countries in which we sell our vehicles, the costs of compliance with these standards could be significant to our operations and may materially and adversely affect our business, prospects, financial condition and results of operations.

In India, the 2019 amendments to the Motor Vehicle Act address 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.

On 31 January 2020, the United Kingdom ceased to be a member of the European Union which had previously allowed for tariff free movement of goods and services between the UK and other European member states. The end of the 11-month transitional period following the termination of the UK's membership of the European Union on 31 January 2020 (the "Brexit Transition Period") saw the agreement of a trade deal between the UK and the EU (the "EU-UK Trade Agreement"). The EU-UK Trade Agreement had provisional application pending completion of ratification procedures and entered into force on 1 May 2021.

These rules have led to increased border friction between the UK and EU due to the administrative requirements of completing customs documentation which have led to some increased costs for our business. To continue to qualify for zero tariff rates, Jaguar Land Rover will need to meet requirements relating to rules of origin which is not certain to be possible in the future. For example, the EU's rules of origin, which are due to start from 2024, stipulate that 45 percent of an electric vehicle's value must be sourced in the U.K. or elsewhere in Europe to avoid export tariffs of 10 percent. The tariffs would be a burden for automakers building cars in the U.K. and exporting them to the EU. This, and any other future changes to tariffs between the UK and EU, may have a material impact upon our ability to access the European market.

The Inflation Reduction Act of 2022 (the "IRA") was passed by the U.S. federal government in August 2022. Among other items, the IRA allows for purchasers of electric vehicles to access a consumer tax credit effectively providing a vehicle (i) is assembled in North America; (ii) 50% of the value of the battery components must be produced or manufactured in North America; and (iii) 40% of the value of the critical minerals used for the vehicle must be extracted, processed, and/or recycled domestically or in a country the United States has

a free trade agreement with, with the minimum percentage increasing annually. EV manufacturing requires a range of minerals, including cobalt, copper, nickel, graphite, and lithium. The consumer tax credits are available on cars up to \$55,000 (manufacturer suggested retail price) and \$80,000 (manufacturer suggested retail price) for vans, sport utility vehicles and pickup trucks. Access to the consumer tax credit is also subject to income thresholds and other requirements. JLR's Reimagine strategy sets out a plan for the business to sell an increasing proportion of electric vehicles in the future. As we presently have no assembly facilities in North America, this may impact upon our ability to price our electric vehicles competitively in the U.S. market in the future. However, we continually assess the impact of such regulatory changes on our future business and are developing, and will continue to develop, strategies to minimize the potential impact.

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 our vehicles and our results of operations.

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 our business prospects, results of operations and financial condition.

We may be affected by competition laws in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Indian Competition Act, 2002 (the "Competition Act") and various regulations promulgated thereunder, including in relation to merger controls, oversee practices having an appreciable adverse effect on competition 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 appreciable adverse effect on competition, is considered void and results in imposition of substantial penalties. All agreements entered into by us could be within the purview of the Competition Act. Furthermore, the Competition Commission of India (the "CCI") has expansive powers, including extraterritorial powers to investigate any agreement, abusive conduct or combination occurring outside India, if such agreement, conduct or combination has an appreciable adverse effect on competition in India. The Competition Act also prohibits abuse of a dominant position by any enterprise.

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 indulging in anti-competitive practices. The CCI ordered an investigation of the matter, and subsequently the director general of the CCI expanded the scope of investigation to other car manufacturers operating in India, including TML.

In 2014, the CCI held that the automobile manufacturers, including TML, had engaged in anti-competitive practices and imposed a penalty of 2% of their total turnover in India. TML was ordered to pay a penalty of ₹1,346 crores within a period of 60 days of the receipt of the order. TML challenged the order of the CCI in the Delhi High Court on constitutional issues. In 2019, the High Court allowed the petitions, partly by striking down Section 22(3) of the Competition Act. Also in 2019, the Supreme Court of India extended the relief that was granted by the 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 our ex-dealers filed information with the CCI alleging that TML had engaged in anti-competitive practices by colluding with its finance subsidiaries (TMFL and TMFSL) and abused its dominance in the market. The complaints include allegations that TML had coerced dealers to avail finance from Tata NBFCs, established a cartel to impose minimum stock requirements and make available financing and violated certain anti-competitive provisions of the Competition Act. In May 2021, the CCI issued an order directing the Director General ("DG") 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. The investigation was carried out and concluded and the report ("report") was submitted to CCI. We have filed our objection to the report with CCI. As of the date of this annual report, we are awaiting further directions from CCI.

Our 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 may add uncertainty to our compliance policies and increase our costs of compliance.

We are 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, U.S. Securities and Exchange Commission (the "SEC") regulations, SEBI regulations, NYSE listing rules, the Companies Act, and 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. We are committed to maintaining high standards of corporate governance and public disclosure. However, our 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 we 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 us to higher compliance requirements, increase our compliance costs and divert management's attention. We are also required to spend, in each financial year, at least 2% of our average net profits during the three immediately preceding financial years, calculated for TML on a stand-alone basis under Ind AS, on corporate social responsibility ("CSR") activities. Compliance with CSR activities is fulfilled when the Company spends the prescribed amount in accordance with its obligations. However, if the Company fails to spend the requisite amount within the financial year, it must fulfil its obligation by transferring the unspent amount to any fund included in Schedule VII of the Companies Act. The same will be considered as compliance with Section 135(5) of the Act. Further, the Board of the Company is required to give the requisite disclosure in the Board report and annual

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report on CSR. 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 our interpretation of the Companies Act differs from, or contradicts, any judicial pronouncements or clarifications issued by the Government of India in the future, we 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's circular, dated May 10, 2021, updated the disclosures to be mentioned in the Business Responsibility and Sustainability Report, which is to be submitted by the top 1,000 listed entities and which was first introduced in 2012. 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 our 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 we have been able to comply with such requirements to date, we cannot assure you that we 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 our compliance requirements or associated costs may have a material and adverse effect on our business, prospects, financial condition and results of operations. Further, vide notification dated 9th November, 2021 effective April 1, 2022 unless otherwise specified in the respective provision of the regulation. SEBI recently amended the Listing Regulations to widen the definition of "Related-Party" and broadened the ambit of Related-Party Transactions ("RPTs"). SEBI has mandated listed companies to obtain prior approval of the shareholders in respect of RPTs exceeding ₹1,000 crore or 10% of the annual consolidated turnover of a listed entity as per its last audited financial statements, whichever is lower, even if such RPTs are in the ordinary course of business and valued at an arm's-length pricing basis. Further, while obtaining shareholder approval, all the related parties are prohibited from voting on the resolutions irrespective of whether they are party to that particular RPT or not. Therefore, for all RPTs, exceeding the abovementioned threshold would require a majority of minority shareholders' vote in favor of the RPTs.

We are subject to risks associated with legal proceedings and governmental investigations, including potential adverse publicity as a result thereof.

We are 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 us. In such cases, we may incur costs and any mitigating measures (including provisions taken on our 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 our reputation and brands.

Furthermore, any regulatory action taken or penalties imposed by regulatory authorities may have significant adverse financial and reputational consequences for our business and materially adversely affect our results of operations and financial condition.

We could be subject to additional tax liabilities in any of the geographical markets in which we operate.

Evaluating and estimating our provision and accruals for our taxes requires significant judgement. We operate in multiple geographic markets, and our operations in each market are susceptible to additional tax assessments and audits. Our collaborations with business partners are similarly susceptible to such tax assessments. Authorities may engage in additional reviews, inquiries and audits that may disrupt our operations or challenge our 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/interest for failing to make the initial payment.

Our 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, restructurings, investments, or changes in laws, regulations, including option to move to new tax regime with concessional tax rate, or practices. Furthermore, government fiscal or political pressures may increase the likelihood of adverse or aggressive interpretations of tax laws or regulations or imposition of arbitrary or onerous taxes, interest charges and penalties. Tax assessments may be initiated even where we consider our practices to be in compliance with tax laws and regulations. Should we challenge such taxes or believe them to be without merit, we may nonetheless be required to

pay them. These amounts may be materially different from our expected tax assessments and could result in additional utilization of tax losses, expropriation of assets, attachment of additional securities, liens, imposition of royalties or new taxes and requirements for local ownership or beneficitation.

We 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 we are 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 our automotive business, we supply, and have in the past supplied, vehicles to Indian military and paramilitary forces and in the course of such activities have obtained an industrial license from the Department of Industrial Policy. The Consolidated FDI policy applies different foreign investment restrictions to companies based upon the sector in which they operate. While we believe we are an automobile company by virtue of the significance of our automobile operations, in the event that foreign investment regulations applicable to the defense sector (including under the Consolidated FDI Policy) are made applicable to us, we may face more stringent foreign investment restrictions and other compliance requirements compared to those applicable to us presently, which, in turn, could materially affect our business, prospects, financial condition and results of operations.

We require 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 our operations.

We require various statutory and regulatory permits, licenses and approvals to carry out our business operations. Our ability to obtain such permits, licenses and approvals depends, among other matters, on the information we provide as part of the application processes, as well as the internal review and consideration processes of the various issuing agencies. While we make every effort to obtain the necessary permits, licenses or approvals, and their renewals, we cannot assure you that we 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 us would be suspended or revoked in the event of non-compliance or alleged non-compliance by us with any terms or conditions thereof, or pursuant to any regulatory action.

Any of the above could materially and adversely affect our 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 our business, in particular.

Our 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.

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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 our 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 our business.

Any adverse revisions to India's credit ratings for domestic and international debt by rating agencies could adversely impact our 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 our financial results, business prospects, ability to obtain financing for capital expenditures and the price of the Company's Shares and ADSs.

We may be materially and adversely affected by the RBI policies and actions.

The Indian stock exchanges are vulnerable to fluctuations based on changes in monetary policy formulated by the RBI. We 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, our business could be significantly impacted were the RBI to make major alterations to monetary or fiscal policy. Certain changes, including changes to interest rates, could negatively affect our sales and consequently our Revenue, which could have a material adverse effect on our 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 toward certain loans and taking other measures to enhance liquidity for NBFCs, there remains considerable uncertainty around the effects of the recent and any future variants of COVID-19 and further relief measures and policy actions that 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.

SEBI and the various Indian stock exchanges are responsible for improving and setting standards for disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. Nevertheless, there may be less information made publicly available in respect of Indian companies than is regularly made available by public companies in the United States as a result of differences between the level of regulation and monitoring of the Indian securities markets and of the transparency of the activities of investors and brokers in India compared to the United States. The Company's ADSs have been delisted from the NYSE effective close of trading on the NYSE on January 23, 2023. As a consequence of the delisting becoming effective, termination of the Deposit Agreement under which the ADSs were issued has also become effective close of trading on the NYSE on January 23, 2023. The said action has no impact on the current listing status or trading of the Company's equity shares on the National Stock Exchange of India Ltd. (the "NSE") and BSE Limited (the "BSE"). Our disclosure obligations under the rules of the NSE and the BSE, on which our equity shares are listed, may be less than the disclosure obligations of public companies on the NYSE.

The market value of your investment may fluctuate due to the volatility of the Indian securities market.

Stock exchanges in India, including 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 ADSs. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Volatility in other stock exchanges, including, but not limited to, those in the United Kingdom and China, may affect the prices of securities in India, including the Company's Shares, which may in turn affect the price of the Company's ADSs. In addition, the governing bodies of the stock exchanges in India have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

There may be a differing level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, 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 us or our 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 to 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 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 our operating results.

Our ADSs have been delisted from the NYSE effective at the close of trading on January 23, 2023; the price of the ADSs was quoted in U.S. dollars. Our equity shares are quoted in Indian Rupees on the NSE and BSE. Any dividends in respect of our equity shares are paid in Indian Rupees after withholding of taxes as applicable under the Indian Income Tax Act 1961 and subsequently converted into U.S. dollars for distribution to ADS holders.

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 our ADSs would bear or have borne all of the risks with respect to a decline in the value of the Indian Rupee as compared to the U.S. dollar, which would adversely affect or have affected the U.S. dollar value of any dividends that are received or have been received by ADS holders.

RISKS FACTOR**Holders of ADSs have fewer rights than shareholders and must act through the depository to exercise those rights.**

Although ADS holders have a right to receive any dividends declared in respect of the Shares underlying the ADSs, they cannot exercise voting or other direct rights as a shareholder with respect to the Shares underlying the ADSs. Citibank, N.A. as depository (the "depository") is the registered shareholder of the deposited Shares underlying the Company's ADSs, and only the depository may exercise the rights of shareholders in connection with the deposited Shares. The depository will notify ADS holders of upcoming votes and arrange to deliver our voting materials to ADS holders only if requested by the Company. The depository will try, insofar as practicable, subject to Indian laws and the provisions of the Articles of Association, to vote or have its agents vote the deposited securities as instructed by the ADS holders. If the depository receives voting instructions in time from an ADS holder which fails to specify the manner in which the depository is to vote the Shares underlying such ADS holder's ADSs, such ADS holder will be deemed to have instructed the depository to vote in favor of the items set forth in such voting instructions. If the depository does not receive timely instructions from an ADS holder, such ADS holder shall be deemed to have instructed the depository to give a discretionary proxy to a person designated by us, subject to the conditions set forth in the deposit agreement. If requested by the Company, the depository is required to represent all Shares underlying ADSs, regardless of whether timely instructions have been received from such ADS holders, for the sole purpose of establishing a quorum at a meeting of shareholders.

In addition, in your capacity as an ADS holder, you will not be able to examine the Company's accounting books and records, or exercise appraisal rights. Registered holders of the Company's Shares withdrawn from the depository arrangements will be entitled to vote and exercise other direct shareholder rights in accordance with Indian law. However, a holder may not know about a meeting sufficiently in advance to withdraw the underlying Shares in time. Furthermore, an ADS holder may not receive voting materials if the Company does not instruct the depository to distribute such materials, or may not receive such voting materials in time to instruct the depository to vote.

ADSs are transferable on the books of the depository. However, the depository 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 depository may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository 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.

For further details on the terms and conditions of the Company's ADSs and the rights and obligations of the Company's ADS holders, please see the amended and restated deposit agreement, dated as of September 27, 2004, among the Company, Citibank, N.A., as depository, and all holders and beneficial owners of ADSs issued thereunder, as amended and supplemented by Amendment No. 1, dated as of December 16, 2009, hereinafter referred to as the "deposit agreement".

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 depository would receive upon the sale of such rights or securities. To the extent that ADS holders are unable to exercise preemptive rights, their proportionate ownership interest in our company would be reduced. The Company filed Form 25 with the SEC on January 13, 2023 to delist its ADSs from the NYSE. The Company's ADSs have been delisted from the NYSE effective at the close of trading on the NYSE on January 23, 2023. As a consequence of the delisting becoming effective, termination of the Deposit Agreement under which the ADSs were issued has also become effective at the close of trading on the NYSE on January 23, 2023. The Company will continue to be subject to reporting obligations under the Exchange Act until such time as it can terminate its registration under the Exchange Act.

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

include 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. This circuit breaker effectively acts to limit the upward and downward movements in the price of the Company's Shares. As a result of this circuit breaker, the Company cannot make any assurance regarding the ability of the shareholders of the Company to sell their Shares or the price at which such shareholders may be able to sell their Shares.

Report on Corporate Governance

Company's Philosophy on Corporate Governance

As a Tata Company, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. As a global organisation, the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

The Company has adopted the Tata Code of Conduct for its employees, including the Whole-time 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 Companies Act, 2013 ('the Act') and Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('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, 2023 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Executive Director ('ED') is reproduced at the end of this Report.

The Corporate Governance mechanism is further strengthened with adherence to the Tata Business Excellence Model, as a means to drive excellence and the Balanced

Scorecard methodology, for tracking progress on long-term strategic objectives and the adoption of the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (Insider Trading Code), pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also adopted the Governance Guidelines on Board Effectiveness based on best practices from both within and outside the Tata Companies. The Company is in full compliance with the requirements of Corporate Governance under the SEBI Listing Regulations. The Company's American Depositary Receipts Programme was listed on the New York Stock Exchange (NYSE) upto January 23, 2023, thereby requiring the Company to also comply 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.

During the year under review, the composition of the Board was in conformity with Regulation 17 of the SEBI Listing Regulations read together with Section 149 and 152 of the Act and rules framed thereunder. As on March 31, 2023, the Board consisted of 8 Directors, out of which 7 Directors (87.50%) were

Non-Executive Directors. The Company has a Non-Executive Chairman and 5 Independent Directors ('IDs'), including 2 Women IDs, which comprises 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 12, 2023, the Board is of the opinion that the IDs fulfill the conditions of Independence as specified in the Act, the SEBI Listing Regulations as well as the US SEC Regulations and they are independent of the Management.

None of the Directors on the Board hold the office of Director in more than 20 companies, including 10 public companies, as disclosed under Section 184 of the Act read with Rules framed thereunder 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. Furthermore, none of the Whole-time Directors of the Company serve as IDs in more than 3 listed entities. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees (the committees being, Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which he/she is a Director. All Non-Independent Non-Executive Directors ('NINEDs') are liable to retire by rotation.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussion 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 21 days from the close of every quarter. The Executive Director ('ED') and the Group Chief Financial Officer ('Group 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, 2023.

During the year under review, 6 Board Meetings were held on May 12, 2022, July 27, 2022, September 8, 2022, November 9, 2022, January 25, 2023 and March 20, 2023. The quorum for the meeting of the Board of Directors is one-third of the Board of Directors or three Directors, whichever is higher, including at least one ID and during the year, the requisite quorum was present for all Board meetings. 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 maximum gap between any two Board Meetings was less than one hundred and twenty days.

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 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, 2023:

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)	6	Yes	7	-	-	-	2,00,000 Ordinary Shares	Tata Chemicals Ltd. (NINED) (C) Tata Consumer Products Ltd. (NINED) (C) Tata Consultancy Services Ltd. (NINED) (C) Tata Steel Ltd. (NINED) (C) The Tata Power Co. Ltd. (NINED) (C) The Indian Hotels Co. Ltd. (NINED) (C)

REPORT ON CORPORATE GOVERNANCE

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 Om Prakash Bhatt DIN: 00548091 ID ⁽³⁾	6	Yes	-	4	1	4	-	Hindustan Unilever Ltd. (ID) Tata Consultancy Services Ltd. (ID) Tata Steel Ltd. (ID)
Ms Hanne Sorensen DIN: 08035439 ID ⁽⁴⁾	5	Yes	-	1	-	1	-	Tata Consultancy Services Ltd. (ID)
Ms Vedika Bhandarkar DIN: 00033808 ID	4	Yes	-	3	-	2	-	Tata Motors Finance Solutions Ltd. (ID) Tata Motors Finance Ltd. (ID)
Mr Kosaraju Veerayya Chowdary DIN: 08485334 ID	6	Yes	1	4	2	4	-	Reliance Industries Limited (NINED) CCL Products (India) Limited (ID) Divi's Laboratories Limited (ID)
Mr Mitsuhiro Yamashita DIN: 08871753 NINED	6	Yes	-	-	-	-	-	-
Mr Al-Noor Ramji DIN: 00230865 ID ⁽⁵⁾	5	Yes	-	-	-	-	-	-
Mr Girish Wagh DIN: 03119361 ED	6	Yes	1	1	-	-	38,100 Ordinary Shares	Automobile Corporation of Goa Limited (NINED)
Mr Thierry Bolloré DIN: 08935293 NINED ⁽⁶⁾	4	Yes	NA	NA	NA	NA	NA	NA

Table Key: (C) – Chairperson; (M) – Member; NINED – Non-Independent Non-Executive Director; ID-Independent Director; ED – Executive Director

(1) Excludes directorship held in private companies, foreign companies and Section 8 companies.

(2) Pertains to memberships/chairpersonships held in the Audit Committee and Stakeholders' Relationship Committee of other Indian public companies as per Regulation 26(l)(b) of the SEBI Listing Regulations.

(3) Re-appointed as an ID of the Company for a period commencing from May 9, 2022 to March 7, 2026, vide Special Resolution passed by the Shareholders at the 77th Annual General Meeting of the Company held on July 4, 2022.

(4) Re-appointed as an ID of the Company for a period of 5 years commencing from January 3, 2023 to January 2, 2028, vide Special Resolution passed by the Shareholders at the 77th Annual General Meeting of the Company held on July 4, 2022.

(5) Appointed as an ID of the Company for a period of 5 years commencing from May 1, 2022, vide Special Resolution passed by the Shareholders at the 77th Annual General Meeting of the Company held on July 4, 2022.

(6) Ceased to be an NINED of the Company with effect from December 31, 2022, consequent to his resignation as the CEO of Jaguar Land Automotive Plc. The Number of Directorships, Committee positions and shareholding details are as on the date of his cessation.

The Board of Directors at their meeting held on March 20, 2023, on favourable recommendation of the Nomination and Remuneration Committee appointed Mrs Usha Sangwan (DIN:02609263) as an Additional Independent Director, for a tenure of 5 years commencing from May 15, 2023, subject to the receipt of shareholders' approval at the forthcoming 78th Annual General Meeting of the Company. The recommendations of the Committees are placed before the Board for necessary approval. During the year under review, all Committee recommendations placed before the Board of Directors were unanimously accepted.

The Company offered the facility of video conferencing, as prescribed 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.

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 March 20, 2023 for FY 2022-23, 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, including their independence from the Company's Management; 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 March 20, 2023, mainly to review the performance of NINEDs, Whole-time Directors ('WTDs') and the Chairman as also the Board as a whole for FY 2022-23 and assessed the quality, quantity and timeliness of the flow of information between the Management and the Board. All IDs were present at the said meeting, except Ms Vedika Bhandarkar, who communicated her feedback and inputs regarding the performance of individual Directors, the Board as a whole and Committees through a note to the Chairman of the NRC.

The Nomination and Remuneration Committee ('NRC') has formulated a policy to include criteria of Board Effectiveness Evaluation. Pursuant to the provisions of the Act, Regulation 17(10) of the SEBI Listing Regulations and Governance Guidelines on Board Effectiveness, the Board has conducted the annual performance evaluation of all the Directors individually, of its Committees and the Board, as a whole. The base scorecard of the evaluation was Board/ Committee

composition and structure, fulfillment of key responsibilities, effectiveness of process, information and functioning, efficacy of communication with stakeholder, dynamics, inputs received from all the Directors, 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. As on March 31, 2023, our 8 member Board of Directors, consisted of 1 ED, 2 NINEDs and 5 IDs, out of which 2 were Women Directors. Whilst recommending the 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, 2023 the Board comprises of 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 as well as enhance brand reputation.

REPORT ON CORPORATE GOVERNANCE

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 Veerayya Chowdary	✓	-	✓	-	-	✓	✓	✓	-
Mr Mitsuhiko Yamashita	✓	✓	-	✓	✓	✓	✓	✓	-
Mr Thierry Bolloré ⁽¹⁾	✓	✓	-	✓	✓	✓	✓	✓	✓
Mr Al-Noor Ramji ⁽²⁾	✓	✓	✓	✓	-	✓	✓	✓	✓
Mr Girish Wagh	✓	✓	-	-	✓	-	✓	✓	✓

(1) Ceased to be a Director of the Company with effect from December 31, 2022, consequent to his resignation as the CEO of the Jaguar Land Rover Automotive Plc..

(2) Appointed as an ID of the Company for a period of 5 years commencing from May 1, 2022, vide Special Resolution passed by the Shareholders at the 77th Annual General Meeting of the Company held on July 4, 2022.

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 Committees constituted by the Board, 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 Committees meetings. The Chairperson of each Committee briefs the Board on significant discussions at its meetings. During the year under review all recommendations made by the various Committees were 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 SEC Regulations applicable to the Company and is reviewed from time to time. The detailed terms of reference of the Audit Committee 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.
- xv. Note and take on record the status reports, detailing the dealings by designated persons in securities of Tata Motors Limited, as submitted by our compliance officer on a quarterly basis and to provide directions on any penalties for any violations of the Insider Trading Code. Mr. P. B. Balaji, our Group Chief Financial Officer, is the compliance officer under the Insider Trading Code.

As on date of this report, the Committee comprises 5 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 the Financial Expert under the applicable Indian and US SEC Regulations. The quorum of the Committee is two members or one-third of its members, whichever is higher, with at least two IDs being present.

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company. During the period under review 6 Audit Committee meetings were held, a two-day meeting on May 11-12, 2022, May 31, 2022, a two-day meeting on July 26-27, 2022, November 8, 2022, January 24, 2023 and February 13, 2023. The requisite quorum was present for all the meetings.

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	6	6
Mr Om Prakash Bhatt	ID	6	6
Ms Hanne Sorensen	ID	6	6
Mr K V Chowdary	ID	6	6
Mr Al-Noor Ramji ⁽¹⁾	ID	4	3

(1) The Board of Directors appointed Mr Ramji as a member of the Audit Committee with effect from September 8, 2022.

REPORT ON CORPORATE GOVERNANCE

The Committee meetings are held at the Company's Corporate Headquarters or at its plant locations and are attended by the ED, Group CFO, Senior Management, Company Secretary, Head - Internal Audit, Statutory Auditors and Cost Auditors on a need based basis. The Business and Operation Heads are invited to the meetings, as and when required. The Head - Internal Audit reports directly to the Audit Committee to ensure independence of the Internal Audit function. The Members of the Audit Committee meet the Statutory Auditors before the quarterly financial results meetings. During the year under review, Mr Wagh and Mr Yamashita were permanent invitees to Audit Committee meetings. Mr Wagh attended all Audit Committee meetings, while Mr Yamashita attended all Audit Committee Meetings, except the meeting held on February 13, 2023. Mr Ramji attended a two day Audit Committee meeting held on July 26-27, 2022, as an invitee.

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, appointed by the Shareholders of the Company at the 77th Annual General Meeting held on July 4, 2022, for a second consecutive term of 5 years, 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 annually reviews the confirmation of independence made by the Auditors and on a quarterly basis 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/auditfeepolicy.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, its objectives, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The 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.

During the year under review, the Committee comprises 2 IDs and 1 NINED. The Chairperson of the NRC attended the last Annual General Meeting of the Company. During the year under review, 2 NRC meetings were held on May 12, 2022 and March 20, 2023. 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	2	2
Ms Hanne Sorensen	ID	2	2
Mr N Chandrasekaran	NINED	2	2

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 detailed Remuneration Policy for Directors, KMP and other employees, in accordance with the provisions of the Act and the SEBI Listing Regulations and is available on the website at <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 ED. Annual increments are recommended by the NRC within the salary scale approved by the Board and Members and are effective April 1, each year.

The Board of Directors, on the recommendation of the NRC, decides the commission payable to the ED 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 ED.

Remuneration of Directors and Key Managerial Personnel:

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. The Commission paid/ payable 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.
- 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 fees of ₹60,000/- was paid to NEDs for attending meetings of the Board and meetings of the Committee of Audit and NRC as well as for participating at annual IDs meeting. Also a sitting fees of ₹20,000/- was paid for attending meetings of the Committee of Stakeholders' Relationship Committee; Safety, Health & Sustainability Committee, Corporate Social Responsibility Committee, Risk Management Committee and other special need based committees, is paid to its Members (excluding ED) 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.

REPORT ON CORPORATE GOVERNANCE

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 NEDs during FY 2022-23:

(₹ in lakh)		
Name	Commission/ Remuneration Payable ⁽¹⁾	Sitting Fees Paid
Mr N Chandrasekaran ⁽²⁾	-	4.80
Mr Om Prakash Bhatt	100.00	11.40
Ms Hanne Sorensen	100.00	10.20
Ms Vedika Bhandarkar	100.00	8.60
Mr K V Chowdary	75.00	8.40
Mr Mitsuhiro Yamashita	75.00	8.00
Mr Al-Noor Ramji	100.00	5.60
Total	550.00	57.00

- (1) Commission relates to FY 2022-23, to be paid in FY 2023-24, in accordance with the shareholders' approval proposed to be obtained at the 78th AGM of the Company to be held on August 8, 2023.
- (2) As a Policy, Mr N Chandrasekaran has abstained from receiving commission / remuneration from the Company.

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 NEDs have no pecuniary relationship or transactions with the Company, its subsidiaries and associates.

EXECUTIVE DIRECTOR

The remuneration paid to the ED 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 of the ED. 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.

Given below are certain details pertaining to the terms of appointment and payment of Managerial Remuneration to Mr Girish Wagh, the ED, for FY 2022-23:

(₹ in lakh)	
Particulars	Remuneration Paid / Payable for FY 2022-23 Mr Girish Wagh April 01, 2022 to March 31, 2023
Basic Salary	108.73
Benefits, Perquisites and Allowances (includes payment in lieu of pension)	177.48
Commission, Bonus and Performance Linked Incentive Remuneration	148.07
Retirement Benefits ⁽¹⁾	29.36
Stock Option / Sweat Equity ⁽²⁾	122.18
Total Remuneration	585.82

- (1) Comprises contribution to Provident Fund and Superannuation fund as per the Rules of the Company.
- (2) Includes an Employee Stock Option Plan (ESOP) and Performance Share Unit (PSU) charge for FY 2022-23 of ₹122.18 lakh under the Tata Motors Limited Employee Stock Option Scheme 2018 at an exercise price of ₹345 per Ordinary Share and Tata Motors Share based long term incentive scheme 2021, ESOP at an exercise price of ₹338 per Ordinary share and PSU at an exercise price of ₹2 per Ordinary share, which will vest only upon fulfilment of certain performance criteria by the ED and him choosing to subscribe to the ESOPs granted.

The terms of appointment with respect to the severance notice period and fees payable is reproduced below:

Mr Girish Wagh – Executive Director
→ This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any Incentive Remuneration, including Stock Option plans, Performance Share plans (paid at the discretion of the Board), in lieu of such notice.

Mr Girish Wagh – Executive Director

- The employment of the ED, may be terminated by the Company without notice or payment in lieu of notice:
- if the ED, is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
 - in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the ED, of any of the stipulations contained in the Agreement to be executed between the Company and the ED; or
- in the event the Board expresses its loss of confidence in the ED.
- In the event the ED is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms, as the Board may consider appropriate in the given circumstances.

The Directors of the Company are not eligible to receive employee stock options and have accordingly not participated in the Tata Motors Limited Employee Stock Option Scheme 2018 of the Company, except for Mr Girish Wagh, who prior to his appointment as an ED of the Company, was the President and Head of the Commercial Vehicle Business Unit and a member of the Tata Motors Executive Committee since 2017, during which period he was vested with employee stock options.

In the year 2018, Mr. Wagh was granted 228,600 stock options exercisable into 228,600 Ordinary Shares of face value of ₹2, each fully paid-up against receipt of exercise price of ₹345 per Ordinary Share under the Tata Motors Limited Employees Stock Options Scheme, 2018, which will vest only upon fulfillment of certain performance criteria by the Executive Director and upon him choosing to subscribe to the ESOPs granted. Pursuant to the above, as on date 83,820 options have been vested upon Mr. Wagh at an exercise price of ₹345 per Ordinary Share.

In addition, pursuant to the approval of the Members obtained at the 76th Annual General Meeting held on July 30, 2021, Mr. Wagh was granted 24,767 Performance Shares and 60,431 Options at an exercise price of ₹2 and ₹338, respectively, under the Tata Motors Limited Share-based Long Term Incentive Scheme 2021.

Other Key Managerial Personnel

Given below are details pertaining to the payment of remuneration to Key Managerial Personnel (KMP) of the Company, excluding Whole-time Directors/ ED of the Company, for FY 2022-23 during their tenure with the Company:

(₹ in lakh)

Particulars	Remuneration Paid / Payable for FY 2022-23	
	Mr P B Balaji Chief Financial Officer April 1, 2022 to March 31, 2023	Mr Maloy Kumar Gupta Company Secretary April 1, 2022 to March 31, 2023
Basic Salary	293.83	38.00
Benefits, Perquisites and Allowances (includes payment in lieu of pension)	494.28	64.88
Commission, Bonus and Performance Linked Incentive Remuneration	504.46	17.17
Retirement Benefits ⁽¹⁾	36.76	4.56
Stock Option / Sweat Equity ⁽²⁾	344.42	10.74
Total Remuneration	1673.75	135.35

(1) Comprises contribution to Provident Fund and Superannuation fund as per the Rules of the Company.

(2) Includes an Employee Stock Option Plan (ESOP) and Performance Share Unit (PSU) charge for FY 2022-23 under the Tata Motors Employee Stock Option Scheme 2018 at an exercise price of ₹345 per Ordinary Share and Tata Motors Share based long term incentive scheme 2021, ESOP at an exercise price of ₹338 per Ordinary share and PSP at an exercise price of ₹2 per Ordinary share, which will vest only upon fulfilment of certain performance criteria by the KMPs and them choosing to subscribe to the ESOPs granted.

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.

REPORT ON CORPORATE GOVERNANCE

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.

During the year under review, the Committee comprises 2 IDs and the ED. The Chairperson of the SRC also attended the last Annual General Meeting of the Company. During the period under review, 2 SRC meetings were held on July 4, 2022 and January 24, 2023. The requisite quorum was present for both 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	2	1
Ms Hanne Sorensen	ID	2	2
Mr Girish Wagh	ED	2	2

Compliance Officer

Mr Maloy Kumar Gupta, Company Secretary, is the Compliance Officer. His contact details are:- Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India.

Tel: 91 22 6665 8282, Email: inv_rel@tatamotors.com

Complaints or queries relating to the shares and/or debentures can be forwarded to the Company's Registrar and Share Transfer Agents – M/s TSR Consultants Private Limited (name changed from M/s TSR Darashaw Consultants Private Limited with effect from April 13, 2022) ('TCPL') 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 Consultants Private Limited at tmlfd@tcplindia.co.in. TCPL 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, TCPL 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 2022-23 is as follows:

Type	Nos.
Complaints regarding non-receipt of dividend, shares lodged for transfer	1
Complaints received from the shareholders through SEBI and other statutory bodies and resolved	85
Complaints redressed out of the above	85
Pending complaints as on March 31, 2023	0

There were no pending share transfers pertaining to the Financial Year ended March 31, 2023.

Corporate Social Responsibility ('CSR') Committee

The Committee is constituted by the Board in accordance with provisions of Section 135 of the Act to:

- 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;
- Recommend the amount of expenditure to be incurred on the activities referred to in the above clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is placed on the Company's website <https://investors.tatamotors.com/pdf/csr-policy.pdf> as required under the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the year under review, the CSR Committee comprises 3 IDs and the ED. The Chairperson of the CSR Committee also attended the last Annual General Meeting of the Company. During the period under review, 3 CSR Committee meetings were held on May 12, 2022, July 13, 2022 and January 24, 2023. 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 (Chairman)	ID	3	3
Ms Vedika Bhandarkar	ID	3	3
Mr K V Chowdary	ID	3	3
Mr Girish Wagh	ED	3	3

Risk Management Committee ('RMC')

The Committee is constituted and functions as per Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations to frame, implement and monitor the risk management plan for the Company. The terms of reference enumerated in the Committee Charter, as mandated under the SEBI Listing Regulations are as follows:

- Review the Company's risk governance structure, risk assessment and risk management policies, practices and guidelines and procedures, including the risk management plan.
- Review and approve the Enterprise Risk Management (ERM) framework.
- Review the Company's risk appetite and strategy relating to key risks, including product risk and reputational risk,

cyber security risk, commodity risk, risks associated with the financial assets and liabilities such as interest risk, credit risk, liquidity exchange rate funding risk and market risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- Review and analyze risk exposure related to specific issues, concentrations and limit excesses and provide oversight of risk across 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 results of the risk assessment are thoroughly discussed with the Senior Management before being presented to the RMC. The Board takes responsibility for the overall process of risk management in the organisation.

During the year under review the Members of the RMC comprises of 1 ID, 1 NINED, the ED and the Group CFO. 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 July 13, 2022, November 8, 2022 and March 17, 2023. 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	NINED	3	3
Mr Girish Wagh	ED	3	3
Mr P B Balaji	Group CFO	3	3

REPORT ON CORPORATE GOVERNANCE

The Safety, Health and Sustainability ('SHS') Committee

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.

As on date of this report, the Members of the SHS Committee comprise of 1 ID, 1 NINED and the ED. The Chairperson of the SHS Committee also attended the last Annual General Meeting of the Company. During the period under review, 3 SHS Committee meetings were held on July 13, 2022, November 8, 2022 and March 17, 2023. 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 Mitsuhiro Yamashita	NINED	3	3
Mr Girish Wagh	ED	3	3

Allotment Committee

The Company has adopted and implemented the 'Tata Motors Limited Employee Stock Option Scheme 2018' ("ESOP Scheme") pursuant to approval of its shareholders at the 73rd Annual General Meeting held on August 3, 2018, for granting, not exceeding 1,38,00,000 Stock Options in aggregate, to the existing employees of the Company as on June 30, 2018 in the levels of LC, L1, L2 and select L3 as well as employees falling in these levels in case of new appointments and promotions over the past 3 years, i.e., by July 1, 2021 at an Exercise Price of ₹345/- per share.

In terms of the ESOP Scheme, the Stock Options would vest with the Participants in 3 equal tranches, i.e., June 30, 2021, June 30, 2022 and June 30, 2023 and the actual number of Vested Options would be determined by the NRC based on the Company achieving (TML Standalone including joint operations) certain performance matrices (i.e. market share, EBIT and cash flows) in the 3 immediately preceding financial years.

Accordingly the NRC constituted Allotment Committee, delegated with the powers to allot Ordinary Shares of the face value of ₹2/- each, fully paid-up, in the Company, to eligible participants pursuant to the exercise of Stock Options vested with the participants of the Company's ESOP Scheme, against receipt of the Exercise Price of ₹345/- per Ordinary Share, received from them in accordance with the terms of the ESOP Scheme.

As on date of this report, the Members of the Allotment Committee comprise of 2 IDs, the Group CFO and the Chief Human Resource Officer (CHRO) of the Company. During the period under review, 7 Allotment Committee meetings were held on April 14, 2022, May 31, 2022, July 13, 2022, October 07, 2022, November 25, 2022 January 10, 2023 and February 23, 2023. The requisite quorum was present for all the meetings.

The composition of the 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 O P Bhatt (Chairman)	ID	7	7
Ms Vedika Bhandarkar	ID	7	7
Mr P B Balaji	Group CFO	7	7
Mr Ravindra Kumar G P	CHRO	7	7

Technology Committee

The Technology Committee was constituted with effect from August 29, 2022, by the Board of Directors of the Company vide passing of a circular Resolution No. BCR-3/FY 2022-23 for reviewing Technology related practices. The brief terms of reference of the Committee inter alia include the following:

- to govern the technology roadmap of the business;
- to help the Management implement technological, digital and electronic initiatives;

- to design and review technology systems and roadmaps, electrical and electronics architecture and skill, talent development plan
- to synchronise synergies between Jaguar Land Rover and the Company;
- to oversee technology related actions of the key subsidiaries
- to carry out any other function as is referred by the Board from time to time

As on date of this report, the Members of the Technology Committee comprise of 2 ID and 1 NINED. The Chairperson of the Committee also attended the last Annual General Meeting of the Company. During the period under review, 1 Committee meeting was held on January 25, 2023. The requisite quorum was present for the meeting.

The composition of the Technology and attendance of its Members at its meeting held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr Al-Noor Ramji (Chairman)	ID	1	1
Mr Mitsuhiro Yamashita	NINED	1	1
Mr Hanne Sorensen	ID	1	1

Code of Conduct

Whilst the Tata Code of Conduct is applicable to all employees of the Company, including Whole-time Directors, the Board has also adopted a Code of Conduct for its Non-Executive Directors, which includes a Code of Conduct for Independent

General Body Meetings

ANNUAL GENERAL MEETING (AGM)

Date of AGM	Year	Special Resolutions passed	Venue and Time
July 4, 2022	2021-22	<ul style="list-style-type: none"> → Appointment of Mr Al-Noor Ramji (DIN:00230865) as a Director and as an Independent Director → Appointment of Mr Om Prakash Bhatt (DIN:00548091) as a Director and his re-appointment as an Independent Director for the second term → Re-appointment of Ms Hanne Birgitte Sorensen (DIN:08035439) as an Independent Director for the second term → Amendment in Tata Motors Limited Employees Stock Option Scheme, 2018 → Change in place of keeping registers and records of the Company 	Through video conferencing ('VC') / other audio visual means ('OAVM') at 3 p.m. (IST)
July 30, 2021	2020-21	<ul style="list-style-type: none"> → Re-appointment of Mr Guenter Butschek (DIN: 07427375) as the Chief Executive Officer and Managing Director and payment of remuneration for the period February 15, 2021 to June 30, 2021 → Appointment of Mr Girish Wagh (DIN:03119361) as Executive Director and payment of remuneration → Tata Motors Limited – Share-based Long Term Incentive Scheme 2021 and grant of stock options and / or performance share units to the Eligible Employees under the Scheme → Extending the Tata Motors Share-based Long Term Incentive Scheme 2021 to eligible employees of certain subsidiary companies of the Company 	Through video conferencing ('VC') / other audio visual means ('OAVM') at 3 p.m. (IST)

Directors, 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, 2023 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the ED is annexed to 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. Mr. P. B. Balaji, Group Chief Financial Officer, is the compliance officer under the Company's Prevention of Insider Trading Code. 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.

REPORT ON CORPORATE GOVERNANCE

Date of AGM	Year	Special Resolutions passed	Venue and Time
August 25, 2020	2019-20	<ul style="list-style-type: none"> → Approval and ratification for payment of Minimum Remuneration to Mr Guenter Butschek (DIN:07427375), Chief Executive Officer and Managing Director for FY2019-20 → 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 FY2020-21 	Through video conferencing ('VC') / other audio visual means ('OAVM') at 2 p.m. (IST)

There were no special resolutions passed through Postal Ballot during FY 2022-23. Further, no special resolution is proposed to be passed through Postal Ballot as on the date of this report.

All resolutions moved at the last years' Annual General Meeting, 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) the Singapore Stock Exchange (SGX) and as per US SEC Regulations 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, 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, SGX and US SEC Regulations 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 2022-23 are being sent in electronic mode, to all members who have 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 2022-23 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	Tuesday, August 8, 2023 at 3 p.m. (IST)
Venue	The Ministry of Corporate Affairs and SEBI vide its relevant circulars, has 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 appointment / re-appointment at this AGM are given in the Annexure to the Notice of the forthcoming AGM.

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.

→ International Listing of securities issued by the Company:

Redeemable Senior Unsecured Notes aggregating US\$ 550 million, as at March 31, 2023:

Security Type	ISIN	Issue Size (US\$)	Yieldper annum(%)	Date of Issue	Date of Maturity	Listing
Senior Unsecured Notes	XS1121908211	250,000,000	5.750%	October 30, 2014	October 30, 2024	Singapore Stock Exchange
Senior Unsecured Notes	XS2079668609	300,000,000	5.875%	November 20, 2019	May 20, 2025	

The Company has paid the requisite Annual Listing and Custodial Fees to the Stock Exchanges (both domestic and international) and Depositories viz; CDSL and NSDL, respectively for FY 2022-23 and 2023-24.

FINANCIAL CALENDAR

Financial Year	ending March 31
Results for the Quarter ending (Tentative)	
June 30, 2023	On or before August 14, 2023
September 30, 2023	On or before November 14, 2023
December 31, 2023	On or before February 14, 2024
March 31, 2024	On or before May 30, 2024
Date of Book Closure	July 29, 2023
Date of Dividend payment	August 14, 2023 onwards

REPORT ON CORPORATE GOVERNANCE
Market Price 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 2022	462.65	416.85	18596222	462.70	417.00	335633541	237.10	205.7	3520806	237.20	205.35	49449339
May 2022	449.50	366.05	26898566	449.50	366.20	471123560	222.20	180.5	4119412	222.25	180.45	59848613
June 2022	446.00	376.70	20431488	446.00	376.65	341676264	214.75	179.85	3441806	214.90	179.85	39716910
July 2022	460.75	402.15	15448508	460.75	402.30	313106433	235.45	192.3	3488641	235.55	192.00	55283941
August 2022	494.50	447.75	19920491	494.40	447.60	316991103	243.60	221.1	3233912	243.65	221.30	52850038
September 2022	474.40	390.45	23193345	474.40	390.35	344727174	236.00	191.25	2966843	236.00	191.05	64798095
October 2022	417.50	391.20	16105779	417.65	391.10	255155966	241.00	189.5	4689082	240.90	189.50	70681142
November 2022	441.10	409.30	17237892	441.20	409.20	272538198	260.35	214.2	7540666	260.40	214.20	137976077
December 2022	443.40	375.50	16870939	443.60	375.20	285898367	239.50	190.65	2647161	239.80	190.00	36923832
January 2023	454.85	381.00	19078194	454.80	381.00	416341489	232.50	204.40	3342147	232.50	204.05	49189313
February 2023	461.30	413.35	9539562	461.50	413.05	199377042	233.50	213.35	2005897	233.60	213.20	33375789
March 2023	442.00	400.40	6499518	442.05	400.45	181112839	224.50	202.05	2550070	224.55	202.00	30726112

The Performance of the Company's Stock Price vis-à-vis Sensex, Auto Index and American Depository Receipt (ADR):

Month	Ordinary Shares (₹) (BSE)	'A' Ordinary Shares (₹) (BSE)	BSE Sensex	Auto Index	ADR Price (US\$)
(average monthly closing price on respective indices)					
April 2022	440.73	221.52	58,165.86	24,824.06	\$28.67
May 2022	414.91	201.19	54,436.66	24,691.49	\$26.84
June 2022	415.18	200.28	53,478.91	25,827.42	\$26.64
July 2022	436.83	217.17	54,684.80	28,033.53	\$27.59
August 2022	470.58	231.12	58,990.51	29,751.27	\$29.66
September 2022	434.67	214.20	58,843.43	29,938.58	\$26.81
October 2022	402.34	203.96	58,632.37	29,219.85	\$24.35
November 2022	427.15	228.50	61,631.46	29,971.04	\$26.25
December 2022	409.87	217.38	61,767.33	29,377.50	\$24.50
January 2023	410.44	214.54	60,397.23	29,368.96	\$24.38
February 2023	437.57	222.00	60,345.93	30,085.65	*
March 2023	420.22	213.52	58,502.47	28,569.35	*

* Note - On account of delisting of ADR's from NYSE, the data for ADR price is available only upto January 23, 2023

The monthly high and low of the Company's ADRs is given below:

(in US\$)

Month	High	Low	Month	High	Low
April 2022	30.15	27.67	October 2022	25.45	23.47
May 2022	28.55	24.12	November 2022	27.4	25.27
June 2022	28.80	24.78	December 2022	26.81	22.35
July 2022	28.72	26.14	January 2023	25.54	22.99
August 2022	31.02	28.25	February 2023	On account of delisting of ADR's from NYSE, the data for ADR price is available only upto January 23, 2023	
September 2022	29.26	23.73	March 2023		

Each Depository Receipt represents 5 underlying Ordinary Shares of face value of ₹2/- each.

Investor Grievance and 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 relevant SEBI Circulars.

In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated January 24, 2022, mandated all the listed companies to issue securities in dematerialised form only, while processes the service request for issue of duplicate securities certificates, renewal/ exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/ splitting of securities certificate, consolidation of folios, transmission and transposition.

In view to the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or TSR Consultants Private Limited (formerly known as TSR Darashaw Consultants Private Limited), the Company's Registrar and Transfer Agent (RTA), for assistance in this regards. Also, share transactions in electronic form can be effected in a much simpler and faster manner.

Shareholders should communicate with RTA, quoting their folio number or Depository Participant ID "DPID" and Client ID number, for any queries on their securities holding.

Dispute Resolution Mechanism

SEBI has vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, issued a Standard Operating Procedure (SOP) for dispute resolution under the Stock Exchange Arbitration Mechanism for disputes between a listed company and/or registrars to an issue and share transfer agents and its shareholder(s)/ investor(s). The Company has complied with the same and the weblink is given below: <https://www.tatamotors.com/wp-content/uploads/2023/05/TML-SOP-Dispute-Mechanism.pdf>

Registrar and Transfer Agents

Members are requested to correspond with the Company's Registrar and Transfer Agents – M/s TSR Consultants Private Limited (name changed from M/s. TSR Darashaw Consultants Private Limited with effect from April 13, 2022) quoting their Folio No./DP ID & Client ID at the following addresses:

1. For dematerialization, transmission or transposition or any service requests, delivery and correspondence: M/s. TSR Consultants Private Limited, Unit: Tata Motors Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083. Tel: +91 8108118484; Fax: 022- 6656 8494; e-mail: csg-unit@tcplindia.co.in; website: <https://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 M/s. TSR Consultants Private Limited:
 - (i) **Mumbai:** Building 17/19, Office no. 415 Rex Chambers, Ballard Estate, Walchand Hirachand Marg, Fort, Mumbai-400 001; Telephone: 7304874606; Email: csg-unit@tcplindia.co.in
 - (ii) **Bangalore:** C/o. Mr. D. Nagendra Rao, "Vaghdevi" 543/A, 7th Main 3rd Cross, Hanumanthnagar, Bengaluru – 560019; Telephone: +91-80-26509004; Email: csg-unit@tcplindia.co.in
 - (iii) **Jamshedpur:** Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831 001; Telephone: +91-657-2426937; Email: csg-unit@tcplindia.co.in
 - (iv) **Kolkata:** Qtr. No. L-4/5, Main Road, Bistupur, (Beside Chappan - Bhog Sweet Shop), Jamshedpur – 831001; Telephone: +91-33-40081986; Email: csg-unit@tcplindia.co.in
 - (v) **New Delhi:** C/o Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No. NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi – 110058; Telephone: +91-11-49411030; Email: csg-unit@tcplindia.co.in
 - (vi) **Ahmedabad:** C/o Link India Intime Private Limited, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off. C.G. Road, Ellisbridge, Ahmedabad – 380006; Telephone: +91-79-26465179; Email: csg-unit@tcplindia.co.in

For Fixed Deposits: the investors are requested to correspond with the Registrars to the Fixed Deposits Scheme – TSR Consultants Private Limited at the same addresses as mentioned above or send an e-mail at Tmlfd@tcplindia.co.in or fdinquiry@tcplindia.co.in or Telephone: +91 810811 8484 Contact Person: Ms Nandini Nair / Ms Uttara Sahasrabudhe.

REPORT ON CORPORATE GOVERNANCE
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"), the Company has to transfer to the IEPF Authority, established by the Central Government the dividend amounts, application money, principal amounts of debentures and deposits as well as the interest accruing thereon, sale proceeds of fractional shares, redemption amount of preference shares, etc. remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment.

Furthermore, the IEPF Rules mandate companies to transfer shares of shareholders whose dividend amounts 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.

The details of the unclaimed dividends and shares transferred to IEPF during FY 2022-23 are as follows:

Financial Year	Amount of unclaimed dividend transferred (₹)	Number of shares transferred	
		Ordinary Shares	'A' Ordinary Shares
2014-15	NIL	NIL	NIL
Total			

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 an original form and acknowledgement, along with requisite documents duly self-certified by the claimant(s), duly self-certified, of the said Form and acknowledgement along with requisite documents, as enumerated in the Instruction Kit, to the Company for vetting and suitable recommendation to IEPF Authority. 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 March 31, 2023 (₹)	
			Ordinary Shares	'A' Ordinary Shares
2015-16	August 9, 2016	September 8, 2023	28,09,024.67	1,26,495.90
2016-17	No dividend was declared		-	-
2017-18	No dividend was declared		-	-
2018-19	No dividend was declared		-	-
2019-20	No dividend was declared		-	-
2020-21	No dividend was declared		-	-
2021-22	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 Maloy Kumar Gupta, Company Secretary, is the Nodal Officer. His contact details are - Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India. Tel: 91 22 6665 8282 Email: nodalofficer.iepf@tatamotors.com

(ii) Upto March 31, 2023, the Company has transferred ₹45,86,44,368.34 to IEPF, including the following amounts during the year.

Particulars	FY 2022-23 (₹)
Unpaid dividend amounts of the Company	-
Application moneys received for allotment of any securities and due for refund	-
Unpaid matured deposit with the Company	60,000.00
Unpaid matured debentures with the Company	-
Interest accrued on application money due for refund, unpaid matured deposits and debentures with the Company	-
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	60,000.00

Distribution of Shareholding as at March 31, 2023

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 Holders
1 – 500	21,68,49,915	0.08	6.45	6.53	37,71,778	0.42	95.40	95.82
501 – 1,000	6,54,90,653	0.06	1.91	1.97	88,234	0.07	2.17	2.24
1,001 – 2,000	6,12,67,421	0.08	1.77	1.85	42,689	0.05	1.04	1.09
2,001 – 5,000	7,24,90,957	0.10	2.08	2.18	23,404	0.03	0.57	0.60
5,001 -10,000	4,24,82,199	0.04	1.24	1.28	6,067	0.00	0.15	0.15
10,001-1,00,000	7,88,29,350	0.06	2.31	2.37	3,366	0.00	0.08	0.08
Above 1,00,001	2,78,39,33,830	0.01	83.81	83.82	681	0.00	0.02	0.02
Total	3,32,13,44,325	0.43	99.57	100.00	39,36,219	0.57	99.43	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 Holders
1 – 500	3,68,31,592	0.01	7.23	7.24	4,61,361	0.11	91.00	91.11
501 – 1,000	1,67,35,869	0.01	3.29	3.29	21,527	0.01	4.25	4.26
1,001 – 2,000	1,67,75,531	0.00	3.30	3.30	11,308	0.00	2.23	2.23
2,001 – 5,000	2,40,61,032	0.00	4.73	4.73	7,431	0.00	1.47	1.47
5,001 -10,000	1,81,32,238	0.00	3.56	3.57	2,473	0.00	0.49	0.49
10,001-1,00,000	5,19,57,549	0.00	10.22	10.22	1,984	0.00	0.39	0.39
Above 1,00,001	34,40,09,085	0.00	67.65	67.65	271	0.00	0.05	0.05
Total	50,85,02,896	0.02	99.98	100.00	5,08,651	0.13	99.87	100.00

REPORT ON CORPORATE GOVERNANCE
Combined Shareholding Pattern (Ordinary & 'A' Ordinary Share Capital)
i) Category-wise Share Holding as on March 31, 2023

Category	Number of Equity Shares held	% of holding
Promoters and Promoter Group	1,57,98,87,957	41.25
Mutual Funds and UTI	45,71,92,219	11.94
Banks, Financial Institutions, States and Central Government	64,88,839	0.17
Alternate Investment Funds	36,18,747	0.09
Insurance Companies	26,52,17,473	6.93
Foreign Institutional Investors and Foreign Portfolio Investors – Corporate	59,48,52,809	15.53
Provident Funds / Pension Funds	2,24,87,628	0.59
Non-Resident Indians / Overseas Bodies Corporates / Foreign Companies	3,31,45,065	0.86
Bodies Corporate / Trust	4,37,95,747	1.14
NBFCs / HUF / LLPs	2,25,70,798	0.59
Indian Public and Others	79,46,98,450	20.75
Directors and Director's Relatives	2,63,582	0.01
IEPF Suspense Account	56,27,907	0.15
GRAND TOTAL	3,82,98,47,221	100.00

ii) Top 10 Shareholders as on March 31, 2023

Sr. No.	Name of the Shareholder	Number of Equity Shares held	% of holding
1	Tata Sons Private Limited (Promoter)	1,49,06,25,082	38.92
2	Life Insurance Corporation of India	17,30,87,356	4.52
3	ICICI Prudential Transportation And Logistics Fund	12,08,93,525	3.16
4	SBI NIFTY 50 ETF	7,95,01,181	2.08
5	Tata Industries Limited	7,22,03,630	1.89
6	Rekha Rakesh Jhunjunwala	6,22,56,000	1.63
7	Citibank N.A. New York, NYADR Department	5,19,17,567	1.36
8	HDFC Trustee Company Ltd. A/C HDFC Top 100 Fund	4,52,80,586	1.18
9	UTI - Nifty Exchange Traded Fund	4,25,37,076	1.11
10	Government Of Singapore	4,12,84,776	1.08

Note: Shareholding of Top 10 is consolidated based on Permanent Account Number (PAN) 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, 2023 through the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) are as follows:

Particulars	Ordinary Shares (%)		'A' Ordinary Shares (%)	
	2023	2022	2023	2022
NSDL	92.23	91.98	83.76	81.11
CDSL	7.34	7.48	16.22	18.87
Total	99.57	99.46	99.98	99.98

Suspense Escrow Demat Account

SEBI has vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 directed listed entities to

issue securities in dematerialized form only while processing various investor service requests. Pursuant to the said Circular, SEBI had issued "Guidelines with respect to Procedural Aspects of Suspense Escrow Demat Account" vide its Letter No. SEBI/HO/MIRSD/PoD-I/OW/P/2022/64923 dated December 30, 2022, to move securities, pertaining to Letter of Confirmation cases, to newly opened Suspense Escrow Demat Account latest by January 31, 2023. The Company has complied with the said requirements within the stipulated timelines.

Outstanding Securities

American Depositary Shares: The Company had 3,41,95,760 ADSs listed on the New York Stock Exchange (the NYSE) as on November 9, 2022, date of the notification of its intent to delist from NYSE. Each Depository Receipt represents 5 underlying Ordinary Shares of ₹2/- each.

Listing on Foreign Stock Exchange	New York Stock Exchange (NYSE)
Security Type	ADRs
ISIN	US8765685024
Stock Code / Ticker	TTM
Address	NYSE, 20 Broad Street, New York, NY 10005
Overseas Depository	Domestic Custodian
Citibank N.A., 388 Greenwich Street, 14th Floor, New York, NY 10013	Citibank N.A., Trent House, 3rd Floor, G-60, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

The Company has voluntarily delisted the American Depositary Shares (the "ADSs"), representing Ordinary Shares of the Company, from the New York Stock Exchange (the "NYSE"), effective close of trading on the NYSE on January 23, 2023. As a consequence of the delisting becoming effective, the ADSs stopped trading on NYSE and no over-the-counter market trading of the ADSs in the United States was allowed due to regulatory restrictions under Indian law.

The ADS holders can surrender their ADSs to the Depository in exchange for the underlying Ordinary Shares of the

Company at any time on or prior to July 24, 2023. Starting on or about July 25, 2023, the Depository may sell the then remaining Ordinary Shares held on deposit upon the terms described in the notice of termination of ADS facility as provided for in the Deposit Agreement.

The above action has no impact on the current listing status or trading of the Company's equity shares on the BSE Limited and the National Stock Exchange of India Limited in India. For the avoidance of doubt, the Company has not made any offer to buy the ADSs or the underlying Ordinary Shares, in any manner.

Although the delisting of ADSs became effective, the Company continues to be subject to the reporting obligations under the U.S. Securities Exchange Act of 1934 until such time the Company terminates its registration under the Exchange Act. The Company expects to satisfy the conditions for deregistration and file Form 15F with the Securities and Exchange Commission on or around January 24, 2024 to deregister its Securities and to terminate its reporting obligations under the Exchange Act.

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)
Jamshedpur – 831 010	Intermediate Commercial Vehicles (ICVs) and M&HCVs
Chinhat Industrial Area, Dewa Road, Chinhat, Lucknow – 226 019	ICVs, M&HCVs, LCVs, Electric Vehicles and Buses
Plot No. 1, Sector 11 and Plot No. 14, Sector 12, I.I.E., Pantnagar, District, Udham Singh Nagar, Uttarakhand – 263 145	SCVs and Electric Vehicles
KIADB Block II, Belur Industrial Area, Mummigatti Post, Dharwad – 580 011	SCVs, LCVs, ICVs, M&HCVs and Electric Buses

Address for Correspondence

For Investor Queries	
Retail / HNI Investors Mr Maloy Kumar Gupta, Company Secretary Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India Phone : 91-22- 6665 7824 E-Mail : inv_rel@tatamotors.com	Institutional Investors Mr Dhiman Gupta, Head (Treasury, Investor Relations and M&A) 3rd floor, Nanavati Mahalaya, 18, Homi Mody Street, Mumbai - 400 001, India Phone : 91-22-6665 8282 E-Mail : ir_tmI@tatamotors.com

REPORT ON CORPORATE GOVERNANCE

For Fixed Deposit 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 2022-23, for all debt instruments in India and abroad:

Rating Agency	Period	Credit Rating	
		Short-Term	Long-Term
CARE Ratings Limited	As on April 1, 2022	CARE A1+	CARE AA- / Stable
CRISIL	As on April 1, 2022	CRISIL A1+	CRISIL AA- / Stable
ICRA Limited	As on April 1, 2022	ICRA A1+	ICRA AA- / Stable
	February 15, 2023		ICRA AA-/Positive
MOODY's Investors Service	As on April 1, 2022		B1 / Stable
Standard & Poor's	As on April 1, 2022		BB- / Stable

→ Details of Non-Convertible Debentures, as on March 31, 2023, listed on NSE and BSE under Wholesale Debt Market segment* of the Stock Exchange:

Series No.	Stock Exchange Listing	ISIN	Principal Amount (₹ 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
E26F	NSE & BSE	INE155A08241	400	9.35	November 10, 2023
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
E30A	NSE & BSE	INE155A08423	500	6.60	May 29, 2026
E30B	NSE & BSE	INE155A08431	500	6.95	March 31, 2026

*Detailed information on the above debentures is included in the 'Notes to Accounts'.

During the year, the following Non-Convertible Debentures (NCDs) were redeemed:

→ 9.60% E26E Series of NCDs (ISIN: INE155A08233) of ₹400 crores on October 29, 2022;

→ 7.50% E27H Series of NCDs (ISIN: INE155A08340) of ₹500 crores on June 22, 2022;

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.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

During the year under review, 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. 41(B)(d)(i)(a) and 40(B)(d)(i)(v) of the Consolidated Financial Statements.

- a. Total exposure of the Company to commodities: ₹16,454 crore
- b. Exposure of the Company to various Commodities:

Commodity Name	Exposure in ₹ towards a particular commodity	Exposure in quantity terms towards a particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Raw Material (majorly Steel)	₹14,758 crore	Note 1	-	-	-	-	-
Aluminum, Copper & Lead	₹1,696 crore	0.05 million metric tons	-	-	33%	-	33%

Notes:

- Mixture of commodities having different Unit of measurements
- Above values are estimates
- Exposure given above is relating to direct materials only
- Commodity risks faced by the Company during the year and measures adopted to combat the same:

During the year under review, major demand supply imbalance was seen in first half of the year till September, 2022 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.

subsidary 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.

Policy on Determining Material Subsidiaries

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.

During the year under review, 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 and Jaguar Land Rover Limited, which have been identified as material unlisted subsidiary companies. Ms Vedika Bhandarkar, ID is on the Boards of Tata Motors Finance Limited and Tata Motors Finance Solutions Limited, which have been identified as strategically important subsidiary companies.

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

Details of Material Subsidiaries of the Listed Entity, including the date and place of Incorporation and the Name and Date of Appointment of Statutory Auditors of such Subsidiaries

Name of Subsidiaries	Date and Place of incorporation	Name of Statutory Auditors	Date of Appointment
Tata Motors Finance Limited	January 24, 1989 Mumbai, India	M/s Sharp & Tannan Associates And M/s G M Kapadia & Co.	October 20, 2021
TMF Holdings Limited	June 1, 2006 Mumbai, India	M/s Sudit K. Parekh & Co. LLP	October 20, 2021
Jaguar Land Rover Holdings Limited	June 16, 2000 England & Wales	KPMG	September 11, 2017
Jaguar Land Rover Automotive Plc	January 18, 2008 England & Wales	KPMG	September 11, 2017
Jaguar Land Rover Limited	October 15, 1982 England & Wales	KPMG	September 11, 2017
Jaguar Land Rover North America, LLC	November 18, 1985 Delaware, USA	KPMG	September 11, 2017
Jaguar Land Rover (China) Investment Co Ltd	May 09, 2008 Shanghai	KPMG	September 11, 2017

REPORT ON CORPORATE GOVERNANCE

Related Party Transactions

All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations, each as amended, during the year under review were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. Certain transactions repetitive in nature were approved through omnibus route by the Audit Committee.

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. The detailed Policy on Related Party Transactions is available on the website of the Company at <https://investors.tatamotors.com/pdf/rpt-policy.pdf>.

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.

Details of Non-Compliance

The Company has complied with the requirement of various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India ('SEBI') or any other statutory authority during the last 3 years relating to the capital markets. No penalties or strictures have been imposed by them on the Company.

Vigil Mechanism

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. During the year, no director or employee of the Company has been denied access to the Audit Committee.

Kindly refer to the Company's website <https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf> for the detailed Whistle-Blower Policy of Company.

Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the UPSI of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code.

Mr P B Balaji, the Group CFO, is the Compliance Officer, is responsible for setting forth procedures and implementation of the Code for trading in the Company's securities.

Details of Utilization of Funds Raised Through Preferential Allotment or Qualified Institutions Placement as Specified Under Regulation 32 (7a)

During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement specified under Regulation 32(7) of the SEBI Listing Regulations.

Disclosures on Corporate Governance Report

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.

Discretionary 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:** Annual 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 modified audit opinion in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinions in its 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.

Certificate from Practising Company Secretaries

None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI or the Ministry of Corporate Affairs or any such statutory authority. The Company has received a certificate from Parikh & Associates (Firm Registration No. P1988MH009800), Practising Company Secretary and which is annexed to this Report.

As per the provisions of the Act and in compliance with Regulation 25(10) of the SEBI 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.

Consolidated Fees Paid to Statutory Auditors

The Company and its Subsidiaries on a consolidated basis have paid ₹ 94.08 crore to the Statutory Auditors and to all entities in their network firm. For details please refer to the Note No. 38 Expenses (under Works operation and other expenses) in the Consolidated Financial Statements.

Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

Disclosure by the Company and its Subsidiaries of 'Loans and Advances' in the nature of Loans to Firms / Companies in which Directors are Interested by name and Amount'

Name of Director / KMP	Name of Entity in which Interested (by virtue of Directorship therein)	Details of Loan and Advances	
		Nature of Loan & Advance	Amount (₹ in crore)
Mr Girish Wagh (ED, TML)	Tata Motors Body Solutions Limited (formerly Tata Marcopolo Motors Limited)	Inter-Corporate Deposits	15.00
Ms Vedika Bhandarkar (ID, TML) Mr Pathamadai Balachandran Balaji (Group CFO, TML)	Tata Passenger Electric Mobility Limited	Inter-Corporate Deposits placed with the Company	2,735.00
Mr Pathamadai Balachandran Balaji (Group CFO, TML)	Tata Motors Passenger Vehicles Limited	Inter-Corporate Deposits placed with the Company	2,058.50
Mr Maloy Kumar Gupta (Company Secretary, TML)	Jaguar Land Rover Technology and Business Services India Private Limited (Formerly JT Special Vehicle (P) Ltd.)	Inter-Corporate Deposit of ₹ 75 lakhs was placed by TML during FY 2022-23, which was repaid before March 31, 2022	Nil

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.

REPORT ON CORPORATE GOVERNANCE

Website

Appropriate 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 a) For NINEDs and IDs	https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct.pdf https://investors.tatamotors.com/pdf/ned-id.pdf
Whistleblower Policy (Vigil Mechanism)	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	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	This policy is to determine material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide governance framework for them.	https://investors.tatamotors.com/pdf/material.pdf
Familiarisation Programme	For IDs through various programmes/ presentations.	https://investors.tatamotors.com/pdf/familiarisation-programme-independent-directors.pdf
Unpaid Dividend Account Details	Statement of unclaimed and unpaid amounts to be transferred to the IEPF.	https://www.tatamotors.com/investors/iepf/
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programmes focusing on Health, Education, Employability and Environment interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India.	https://investors.tatamotors.com/pdf/csr-policy.pdf
Audit Committee Charter	Inter alia outlines the terms of reference, composition, quorum, meeting requirements, authority and responsibility of the Audit Committee of the Company.	https://investors.tatamotors.com/pdf/audit_committee_charter.pdf
Policy for Approval of Services to be rendered by the Auditors	For the Audit Committee to oversee the services rendered by the Auditors to the Tata Motors Group and the payment for the said services so as to ensure that the Auditors function in an independent manner.	https://www.tatamotors.com/investors/pdf/auditfee-policy.pdf
Policy on determination of Materiality for Disclosure of Event / Information	This policy pursuant to the Regulation 30 of the SEBI Listing Regulations applies to disclosures of material events affecting the Company and its subsidiaries. This policy is in addition to the Company's corporate policy.	https://investors.tatamotors.com/pdf/materiality.pdf
Content Archiving Policy	The policy pursuant to the Regulation 9 of the SEBI Listing Regulations provides guidelines for archiving corporate records and documents as statutorily required by the Company.	https://investors.tatamotors.com/pdf/content-archiving-policy.pdf

Name of Policy, Code or Charter	Brief Description	Web Link
Code of Corporate Disclosure Practices	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
Dispute Resolution Mechanism	Standard Operating Procedure (SOP) for dispute resolution under Stock Exchanges Arbitration Mechanism, for dispute redressal between the Listed Company and its / Registrar and Share Transfer Agents to the issue and/ or its Share Transfer Agent and its shareholder(s) / investor(s)	https://www.tatamotors.com/wp-content/uploads/2023/05/TML-SOP-Dispute-Mechanism.pdf

(1) Revised in line with the amendments under the SEBI Listing Regulations.

On behalf of the Board of Directors

N Chandrasekaran

Chairman
DIN: 00121863

Mumbai, May 12, 2023

REPORT ON CORPORATE GOVERNANCE**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, 2023.

For Tata Motors Limited

Girish Wagh

Executive Director

DIN: 03119361

Mumbai, May 12, 2023

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, 2023

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2023 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 31st March 2023 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

Girish Wagh

Executive Director

DIN: 03119361

P B Balaji

Group Chief Financial Officer

Mumbai, May 12, 2023

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, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

We report that the Company is required to obtain the approval of shareholders for the transactions with Fiat India Automobiles Private Limited, a related party, which has become a material related party transaction for the year March 31, 2023 and the Company has conveyed that it proposes to take approval of the shareholders at the forthcoming Annual General Meeting.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Practising Company Secretaries

P. N. PARIKH

FCS: 327 CP: 1228

UDIN: F000327E000294236

PR No.:1129/2021

Mumbai, May 12, 2023

REPORT ON CORPORATE GOVERNANCE**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON DIRECTORS NON-DISQUALIFICATION**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority.

S. 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 Kosaraju Chowdary	08485334	27/10/2020
6.	Mitsuhiko Yamashita	08871753	16/09/2020
7.	Al-Noor Ramji	00230865	01/05/2022
8.	Girish Arun Wagh	03119361	01/07/2021

* the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

P. N. PARIKH

FCS: 327 CP: 1228

UDIN: F000327E000294280

PR No.: 1129/2021

Mumbai, May 12, 2023