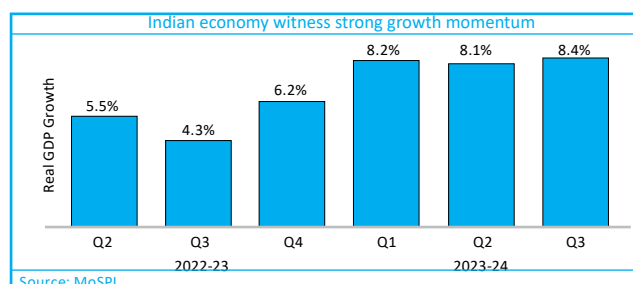


Management Discussion and Analysis

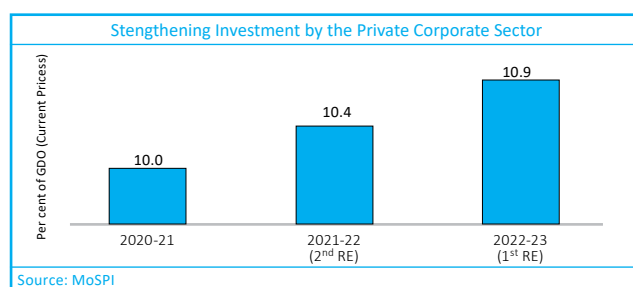
Economy Overview

India

The GDP growth estimate for FY24 has been revised upwards from 7.3% to 7.6% as per the estimates, highlighting the enduring strength of the Indian economy. India grew above 8% for three consecutive quarters, reaffirming as a standout performer amidst sluggish global growth trends.



Capital expenditure outlay for the next year is going to be increased by 11.1%, which would be 3.4% of India's total GDP.



Asian economies such as China, Japan, India, and South Korea are among the largest net oil importers globally. Hence continued shipping disruptions could hit Asia. A rise in oil prices may pose upside risks to inflation and, consequently, to growth.

Global growth, estimated at 3.1% in 2023, is projected to remain at 3.1% in 2024 before rising modestly to 3.2% in 2025. Compared with that in the October 2023 WEO, the forecast for 2024 is about 0.2% higher, reflecting upgrades for China, the United States, and large emerging market and developing economies. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8%, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market

and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

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 FY24 and FY23 are set forth in the table below:

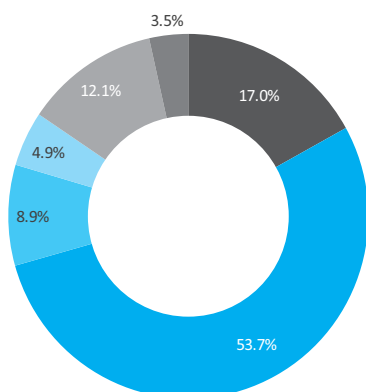
	FY24		FY23	
	Units	%	Units	%
Passenger cars	2,34,093	17.0	2,24,450	17.5
Utility vehicles	7,40,751	53.7	6,37,877	49.6
Heavy Commercial Vehicles	1,23,276	8.9	1,18,588	9.2
Intermediate and Light Medium Commercial Vehicles	67,304	4.9	75,906	5.9
SCV & Pick Up	1,66,629	12.1	2,03,990	15.9
CV Passenger Vehicle	48,262	3.5	24,142	1.9
Total	13,80,315	100.0	12,84,953	100.0

We sold 9,79,012 units of Tata Commercial and Passenger vehicles and 4,01,303 units (excluding wholesales from the China Joint Venture) of Jaguar Land Rover vehicles in FY24.

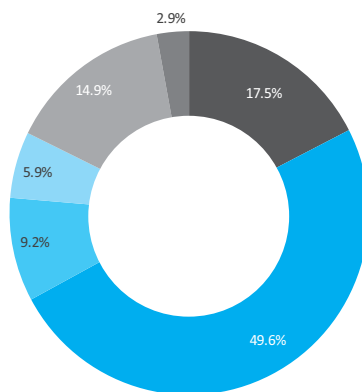
In India, we sold 9,49,164 and 9,31,429 units, during FY24 and FY23, respectively (constituting 68.8% and 72.5% of total sales in FY24 and FY23, respectively). In North America, we sold 1,05,623 units and 81,629 units in FY24 and FY23, respectively (constituting 7.7% and 6.4% of total sales in FY24 and FY23, respectively).

Share of volumes

FY24



FY23



- Passenger cars
- Utility vehicles
- Heavy Commercial Vehicles
- Intermediate and Light Medium Commercial Vehicles
- SCV & Pick Up
- CV Passenger Vehicle

Tata and other brand vehicles

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

	FY24		FY23	
	Units	%	Units	%
Tata Passenger Vehicles	5,73,541	58.6	5,40,965	56.1
Tata Commercial Vehicles	4,05,471	41.4	4,22,637	43.9
Total	9,79,012	100.0	9,63,602	100.0

We sold 29,848 units outside India in FY24, as compared to 32,173 units, in FY23.

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, we are now the second largest automotive Company in India, based on Vahan market share.

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

	FY24	FY23
	%	%
Passenger Vehicles	13.9	13.5
Heavy Goods and Motor Vehicles (HGV+MGV)	48.8	49.6
Medium Goods Vehicles	37.5	44.2
Light Goods Vehicles	34.3	37.8
CV Passenger Vehicles	35.0	38.4
Total Commercial Vehicles	39.1	41.7

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)		
	FY24	FY23	% Change	FY24	FY23	% Change
Tata Commercial Vehicles	3,78,165	3,92,911	(3.8)	3,76,896	3,97,229	(5.1)
Tata Passenger Vehicles	5,70,999	5,38,518	6.0	5,37,957	5,23,547	2.8
Total	9,49,164	9,31,429	1.9	9,14,853	9,20,776	(0.6)

Passenger Vehicles in India

The following table sets forth the breakup of the wholesale sales in various categories.

Category	Tata Passengers Vehicles Sales (In Units)		
	FY24	FY23	% Change
Passenger Cars	1,82,513	1,81,407	0.6
Utility Vehicles	3,88,486	3,57,111	8.8
Total	5,70,999	5,38,518	6.0



Management Discussion and Analysis

In FY24, we refreshed Tiago, Tigor, Altroz and Punch portfolio with twin cylinder technology, enabling CNG vehicles, to provide customers with a non-compromised boot space, best-in-class features and a superior drive experience. We further revolutionized the CNG segment in the country by introducing AMT in CNG cars. We also introduced facelifts of Nexon, Harrier and Safari with significant design changes and several futuristic technologies. Facelift of Nexon.ev was launched with an extended range of 465 kms. We introduced advanced Pure EV architecture – acti.ev that will underpin future products from the TPEM portfolio. We launched first car “Punch.ev” on the acti.ev architecture, offering range upto 421 kms. At Bharat Mobility Global Expo 2024, we showcased our most recent and forthcoming launches, including New Nexon i-CNG Concept, Tata Curvv Concept, Punch.ev, Harrier. ev Concept, etc.

This increase in the Passenger Car category (Tata-brand vehicles in India) in FY24, represented demand of Tiago, Altroz and Tigor, including CNG variant.

In the Utility Vehicles category, an increase of 8.8% from 357,111 units in FY23, represented a strong demand for Tata Nexon, Punch and Tata Harrier.

Commercial Vehicles in India

Category	Tata Commercial Vehicles Sales (In Units)		
	FY24	FY23	% Change
Heavy Commercial Vehicles (HCV)	1,16,488	1,10,735	5.2
Intermediate and Light Medium Commercial Vehicles (ILMCV)	58,923	66,341	(11.2)
SCVs and Pickups	1,59,043	1,94,819	(18.4)
CV Passenger Vehicles	43,711	21,016	108.0
Total	3,78,165	3,92,911	(3.8)

In FY24, over 140 new products and 700 variants were introduced. Equipped with smarter technologies to deliver even better performance and value, the advancements of key attributes have been well received by customers. Deliveries of top-of-the-line Prima VX tipper were commenced. We launched all-new Intra V70, Intra V20 Gold and Ace HT+, in line with the commitment to make first and last mile transportation more efficient. These new vehicles are engineered to carry higher payloads over longer distances with better economics. Offering best in class features, these vehicles can be used for a variety of applications, delivering higher profits and productivity, both in urban and rural India. Tata Motors also launched improved versions of its popular Intra V50 and Ace Diesel vehicles, reengineered to lower fuel consumption with reduced cost of ownership. We introduced the technologically advanced engine, Turbotronn 2.0, to deliver a new benchmark of excellence in trucking. Highly fuel efficient and reliable, this indigenously developed, versatile engine will power Tata trucks in 19-42 tonne range for multiple applications across categories. At Bharat Mobility Global Expo 2024, we introduced 10 advanced, efficient eco-

friendly vehicles, including Prima 5530.S LNG, Prima H.55S (industry first H2 ICE truck), Prima E.28 K (E-mobility concept tipper), Intra Bi-fuel, Magna EV, etc.

HCVs in India

We grew by 5.2% in this segment. The quarter-on-quarter improvement was observed, due to increase in infrastructure projects, housing construction and the mining segments in India.

ILMCVs in India

Our sales in the ILMCVs in India dropped by 11.2%.

SCVs and Pickups in India

Among all segments in commercial vehicles, the SCV and pickup category has experienced decreased demand from e-commerce players.

CV Passenger Vehicles in India

Our sales in CV Passenger Vehicles segment in India increased by 108.0% in FY24 compared to FY23, from 21,016 units in FY23 to 43,711 units in FY24.

Tata Commercial Vehicles and Tata Passenger Vehicles — Exports

With a global presence in 40 countries, including all South Asian Association for Regional Cooperation (“SAARC”) countries, South Africa, Africa, the Middle East and Southeast Asia, we offer a range of products, including MHCV 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 12% to 17,805 units in FY24 compared to 20,222 units in FY23. A major drop is witnessed in the SAARC region (10%) driven by TIV softening, for-ex shortages and liquidity crunch. MENA region witnessed 23% Y-o-Y growth in shipments. Non-SAARC markets contributed to 55% of total shipments in FY24 as compared to 57% in FY23. Dubai achieved the highest-ever shipments in FY24. The new Ultra range was introduced in the Middle East and South Africa. The electrification journey for IB started with the introduction of Ace EV in Nepal.

Our sales in Passenger Vehicles segment for export increased by 3.9% in FY24 compared to FY23, from 2,447 units in FY23 to 2,542 units in FY24.

TDCV, is a wholly-owned subsidiary company engaged in the manufacturing of MHCVs and LCVs. In FY24, TDCV sales were flat, with total units sold of 9,501 from 9,493 units in FY23. In South Korea market, volume witnessed a degrowth of 6% from 6,381 units in FY23 to 6,001 units in FY24 mainly due to downturn in domestic economy. Decline in domestic was compensated by export growth of 12.5% from 3,112 units in FY23 to 3,500 units in FY24.

Vehicle Financing

Through TML's wholly owned subsidiary, TMFHL and its subsidiaries TMFL and TMFBSL, we provide financing services to purchasers of our vehicles through our independent dealers, who act as our agents for financing transactions, and through our branch network. TMF Group disbursed ₹17,884 crores and ₹18,334 crores in vehicle financing in India during FY24 and FY23, respectively. Prudent sourcing and concerted collection efforts continues to drive up portfolio quality. During FY24 and FY23, 12% and 17%, respectively, of our commercial vehicle sales in India were made by the

dealers through financing arrangements with Company's captive financing subsidiary. The customer finance receivable portfolio comprised of over six lakhs contracts as at March 31, 2024.

We follow specified internal procedures, including quantitative guidelines, for selection of our finance customers and assist in managing default and repayment risk in our portfolio. We originate all contracts through our authorized dealers and direct marketing agents with whom we have agreements. All 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 CJLR) with a breakdown between Jaguar and Land Rover brand vehicles, in FY24 and FY23 are set forth in the table below:

	Wholesale Volume (in units excluding CJLR)			Retail Volume (in units excluding CJLR)		
	FY24	FY23	% Change	FY24	FY23	% Change
Jaguar	49,561	42,720	16.0	66,866	62,521	6.9
UK	19,103	11,239	70.0	17,601	12,076	45.8
North America	12,437	11,930	4.2	10,494	10,755	(2.4)
Europe	10,521	12,350	(14.8)	10,198	12,832	(20.5)
China	2,884	2,374	21.5	24,605	22,370	10.0
Overseas	4,616	4,827	(4.4)	3,968	4,488	(11.6)
Land Rover	3,51,742	278,642	26.2	3,64,867	292,141	24.9
UK	63,272	50,903	24.3	62,119	51,935	19.6
North America	93,186	69,699	33.7	84,500	66,771	26.6
Europe	70,316	61,999	13.4	68,055	58,874	15.6
China	49,669	42,544	16.7	79,518	68,628	15.9
Overseas	75,299	53,497	40.8	70,675	45,933	53.9
Jaguar Land Rover	401,303	321,362	24.9	431,733	354,662	21.7
UK	82,375	62,142	32.6	79,720	64,011	24.5
North America	105,623	81,629	29.4	94,994	77,526	22.5
Europe	80,837	74,349	8.7	78,253	71,706	9.1
China	52,553	44,918	17.0	104,123	90,998	14.4
Overseas	79,915	58,324	37.0	74,643	50,421	48.0
CJLR	50,135	50,855	(1.4)	50,153	50,904	(1.5)

Jaguar Land Rover's performance on a wholesale basis:

Wholesales (excluding our China Joint Venture) for the FY24 were 4,01,303 up 24.9%, compared to FY23. Compared to the prior year, wholesale volumes were higher in all markets led by Overseas 37%, UK 33%, North America 29%, China 17% and Europe 9%. The increase was driven by the strong demand for our products, along with increasing production volumes. Production levels of Range Rover and Range Rover Sport have continuously increased over the year with the addition of a second MLA body shop at Solihull. We have also continued the three-shift production at our Nitra factory, which produces the Defender. Product mix was strong with Range Rover and Defender brands accounting for 79% of all wholesales in the year.

Jaguar Land Rover's performance on a retail basis:

Retail sales for FY24 were 4,31,733 up by 21.7% compared to FY23. Compared to the prior year, retail volumes were higher was led by Overseas 48%, UK 25%, North America 23%, China 14% and Europe 9%. The increase in sales reflects the strong demand for rich mix of products, along with the ramp up of production volumes.

Retails by powertrain

The electrified mix, which includes mild hybrid, plug-in hybrid and battery electric vehicles ("BEV"), MHEV increased slightly from 55% in FY23 to 62% in FY24. Within this, plug-in hybrid sales increased from 10% to 12%. During FY24, we continued to offer electrification options across our 13 nameplates, with plug-in hybrid electric (PHEVs) available on eight models and mild hybrid electric (MHEVs) available on 11 models, as well as the all-electric Jaguar I-PACE.



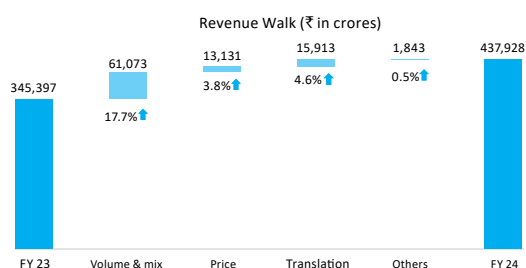
Management Discussion and Analysis

A. Operating Results

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

Overview

In FY24 consolidated revenue from operations including finance revenues increased by 26.6% to ₹4,37,928 crores from ₹3,45,967 crores in FY23. This increase was mainly attributable to increased vehicle volumes and better mix.



The net profit (attributable to shareholders of our Company) was ₹31,399 crores in FY24, compared to a net profit of ₹2,414 crores in FY23. Jaguar Land Rover recorded deferred tax asset of ₹7,094 crores in FY24, in relation to deductible temporary differences, including unused tax losses, on the basis that it is probable that future taxable profits will be available against which

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)	
	FY24	FY23	FY24	FY23	FY24	FY23
CV	78,791	70,816	6,484	3,693	8.2	5.2
PV	52,353	47,868	1,016	542	1.9	1.1
JLR	3,02,825	2,22,860	25,382	3,482	8.4	1.6
Financing	4,099	4,595	1,821	1,499	44.4	32.6
Unallocable	593	360	(280)	(158)	(47.3)	(43.8)
Intra-Segment eliminations	(4,637)	(3,858)	(105)	(18)	(2.3)	(0.5)
Total	4,34,024	3,42,641	34,317	9,041	7.9%	2.6%

In FY24, Jaguar Land Rover contributed 69% of our total automotive revenue compared to 64% in FY23 (before intra-segment elimination) and the remaining 31% was contributed by Tata and other brand vehicles and Vehicle Financing in FY24, compared to 36% in FY23. This is reflecting higher growth of Jaguar Land Rover as compared to Tata branded vehicles.

Other operations

Our other operations business segment mainly includes information technology services and insurance broking services. 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	FY24	FY23	Change (%)
Total Revenues (₹ in crores)	5,875	4,809	22.2
Earnings before other income, interest & Tax (₹ in crores)	968	826	17.2
Earnings before other income, interest & Tax (% of revenue)	16.5%	17.2%	

those deductible temporary differences can be utilised. Similarly, Tata Motors on a standalone basis recorded deferred tax asset of ₹1,249 crores in FY24, on carry forward business losses, as it is probable, profits will be available against which these will be utilized in coming years. The net deferred tax credit for FY24 was ₹8,789 crores. The profit before tax was ₹27,955 crores in FY24 as against ₹3,394 crores in FY23. Excluding the exceptional items, profit before tax and after share of profit in equity accounted investees was ₹28,932 crores in FY24, as compared to ₹1,803 crores in FY23. Increase in volumes, better mix, better management of costs, softening of commodity prices, have resulted in profits for the year.

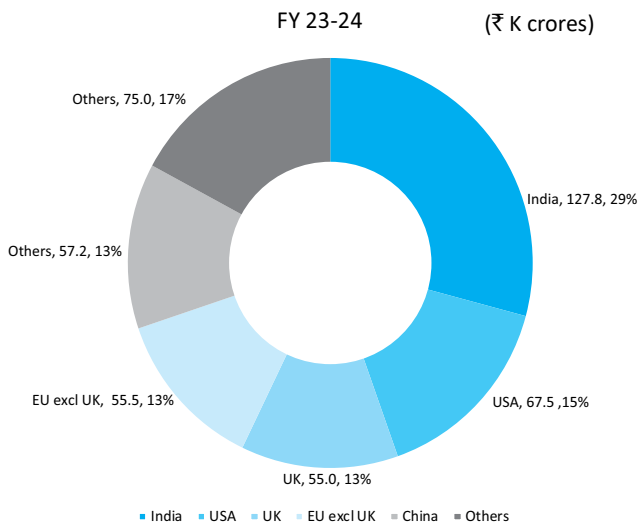
Automotive operations

Automotive operations are our most significant segment, accounted for 99.1%.

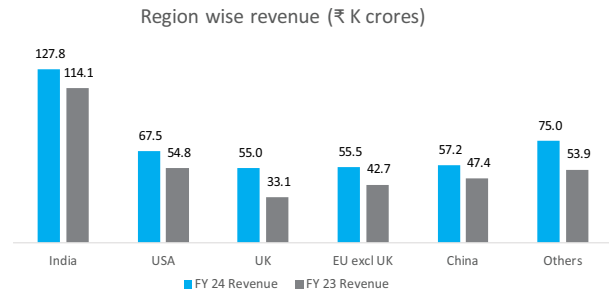
Particulars	FY24	FY23	Change (%)
Total Revenues (₹ in crores)	4,34,024	3,42,641	26.7
Earnings before other income, interest & Tax (₹ in crores)	34,317	9,041	279.6
Earnings before other income, interest & Tax (% of revenue)	7.9%	2.6%	

Geographical Breakdown

In FY24, volume and percentage of revenues outside India have improved from FY23 levels. The revenue of Jaguar Land Rover increased across most geographical markets in FY24. Jaguar Land Rover wholesale volumes increased in all regions including in the UK (increased 33%), in North America (increased 29%) and, in China (increased 17% year-on-year) and Europe (increased 9%) in FY24. 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:

Particulars	FY24 (%)	FY23 (%)	Difference (Bps)
Revenue from operations	100	100.0	-
Expenditure:			
Cost of material consumed (including change in stock)	62.3	65.5	318
Employee Cost	9.7	9.7	3
Product development/Engineering expenses	2.5	3.1	58
Other expenses (net)	18.0	17.9	(15)
Amount transferred to capital and other accounts	(6.1)	(5.3)	78
Total Expenditure	86.4	90.8	441
Profit before other income, Depreciation and amortization, Finance costs, Foreign exchange (gain)/loss, exceptional items and tax	13.6	9.2	441
Other Income	1.4	1.3	2
Profit before Depreciation and Amortization, Finance costs, Foreign exchange (gain)/loss, exceptional items and tax	15.0	10.5	443
Depreciation and Amortization	6.2	7.2	96
Finance costs	2.3	3.0	67
Foreign exchange loss (net)	0.0	(0.0)	4
Share of profits of equity accounted investees (net)	0.2	0.1	6
Exceptional Items (gain)/loss (net)	0.2	(0.5)	68
Profit before tax	6.4	1.0	540
Tax expense / (credit)	(0.9)	0.2	110
Profit for the year	7.3	0.8	650
Underlying EBITDA	14.3	10.7	364
Underlying EBIT	8.3	3.6	466

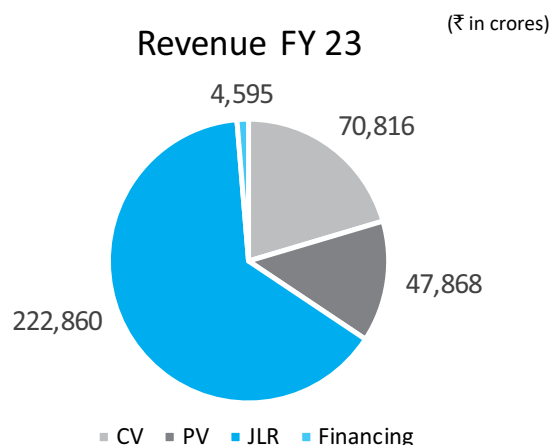
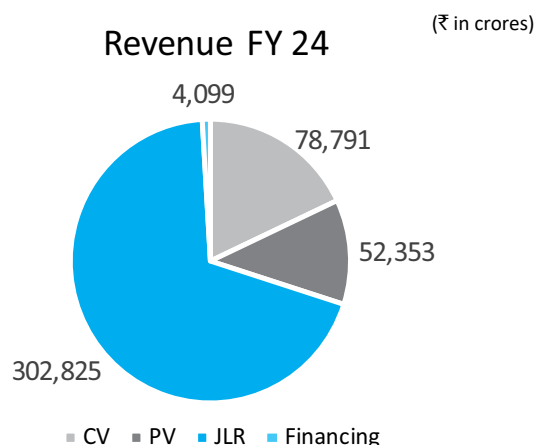
Underlying EBITDA is defined to Include the product development expenses charged to P&L and realized FX and commodity hedges but excludes the gain/loss on realized derivatives entered into for the purpose of hedging debt, revaluation of foreign currency debt, revaluation of foreign currency other assets and liabilities, MTM on FX and commodity hedges, other income(except government grant) as well as exceptional items.

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

Management Discussion and Analysis

Revenue Analysis:

Our total consolidated revenue from operations including finance revenue increased by 26.6% in FY24.



Tata Commercial Vehicles:

The revenue from Tata commercial vehicle was ₹78,791 crores in FY24, compared to ₹70,816 crores in FY23, an increase of 11.3%.

Our revenues from sales of vehicles and spare parts of Commercial Vehicles manufactured in India increased by 11.1% to ₹71,121 crores in FY24 from ₹64,029 crores in FY23.

Category	FY24	FY23	Change (%)
	Net Revenue	Net Revenue	
	₹ Crs	₹ Crs	
HCV	35,631	31,429	13.4
ILMCV	8,035	8,746	(8.1)
CV Passenger	7,336	4,659	57.5
SCV & Pickups	7,203	7,416	(2.9)

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 by 9.6% to ₹6,050 crores in FY24 from ₹5,520 crores in FY23. Decline in domestic market was compensated by export growth in FY24.

Revenue from sale of spare parts increased by 13.2% to ₹8,122 crores in FY24, as compared to ₹7,173 crores in FY23.

Tata Passenger Vehicles:

The revenue from Tata Passenger Vehicles was ₹52,353 crores in FY24, compared to ₹47,868 crores in FY23, an increase of 9.4%

Our revenues from sales of vehicles and spare parts of Passenger Vehicles manufactured in India increased by 4.3% to ₹50,295 crores in FY24 from ₹48,226 crores in FY23.

Category	FY24	FY23	Change (%)
	Net Revenue	Net Revenue	
	₹ Crs	₹ Crs	
Passenger Car	7,549	8,331	(9.4)
Electric	8,784	6,586	33.4
Utility Vehicles	27,362	23,936	14.3

The increase in revenue was mainly on account of better products and safety features of our vehicles. Revenue from sale of spare parts increased by 20.1% to ₹2,586 crores in FY24, as compared to ₹2,154 crores in FY23.

Vehicle financing:

Revenue from Vehicle Financing operations, dropped by 10.8% to ₹4,099 crores in FY24 from ₹4,595 crores in FY23.

Jaguar & Land Rover:

The revenue of our Jaguar Land Rover business increased by 35.9% to ₹3,02,825 crores in FY24 from ₹2,22,860 crores in FY23. This increase was after a favourable translation of ₹20,957 crores from GBP to INR in FY24. Excluding currency translation, the revenue of Jaguar Land Rover increased by 26.9% to £28,995 million in FY24 from £22,809 million in FY23. The increase in revenue is driven by increased volumes and product mix improvement.

Others:

Revenue from other operations (before inter-segment eliminations) increased by 22.2% to ₹5,875 crores in FY24 compared to ₹4,809 crores in FY23. This is mainly on account of increase in revenue of Tata Technologies for current year it was ₹5,117 crores as compared to ₹4,414 in FY23.

Cost of material consumed:

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

Material costs increased by 20.4% to ₹2,72,756 crores in FY24 from ₹2,26,470 crores in FY23, in line with increase in revenue. As a percentage of revenue, material cost is 62.3% in FY24 as compared to 65.5% in FY23.

Tata Commercial Vehicles:

Material costs for Tata Commercial Vehicles increased by 6.0% to ₹56,015 crores in FY24 from ₹52,828 crores in FY23, due to increased volumes. The material costs as a percentage of total revenue decreased to 71.1% in FY24, compared to 74.6% in FY23, primarily due to improved product mix and softening of commodity prices.

Material costs increased by 5.3% to ₹3,715 crores in FY24, compared to ₹3,528 crores in FY23 for TDCV. As a percentage of total revenue, material cost increased to 61.4% in FY24, compared to 63.9% in FY23.

Tata Passenger Vehicles:

Material costs for Tata Passenger Vehicles increased by 15.5% to ₹42,526 crores in FY24 from ₹36,833 crores in FY23, due to increased volumes. The material cost as a percentage of total revenue increased to 81.2% in FY24, compared to 76.9% in FY23, on account of better product mix.

Jaguar & Land Rover:

At our Jaguar Land Rover operations, material costs in FY24 increased by 29.7% to ₹1,76,587 crores, from ₹1,36,118 crores in FY23. The increase was also due to an unfavourable currency translation from GBP to INR of ₹12,211 crores. Excluding currency translation, material costs attributable to our Jaguar Land Rover operations increased by 21.1% to £16,964 million in FY24 from £14,007 million in FY23, mainly due to a 19.9% increase in sales volume and change in product mix. Material costs at our Jaguar Land Rover operations as a percentage of revenue decreased to 58% in FY24 as compared to 61% was during FY23 (in GBP terms). The mix and pricing improvement have offset the impact of material cost pressures.

Employee Costs:

Our employee costs increased by 26.2% in FY24 to ₹42,487 crores from ₹33,655 crores in FY23, including the foreign currency translation impact from GBP to INR as discussed below.

Our permanent employee headcount increased by 10.6% as at March 31, 2024, to 91,496 employees from 81,811 employees as at March 31, 2023. The average temporary headcount has increased to 38,660 employees in FY24 from 36,082 employees in FY23.

Tata Commercial Vehicles:

The employee costs for Tata Commercial Vehicles increased by 6.8% to ₹5,418 crores in FY24 from ₹5,073 crores in FY23, mainly due to yearly increments and wage settlements. However, the employee costs as a percentage of revenue decreased to 4.9% in FY24 from 7.1% in FY23, due to increase in revenue.

Employee costs at Tata Motors Ltd, increased by 6.6% to ₹4,123 crores in FY23 from ₹3,867 crores in FY23, mainly due to annual increments and production Linked Incentive.

Employee costs at TDCV were increased to ₹868 crores in FY24, compared to ₹832 crores in FY23 primarily due annual increments given during FY24.

The permanent headcounts decreased by 0.7% as at March 31, 2024 to 23,494 employees from 23,655 employees as at March 31, 2024.

Tata Passenger Vehicles:

The employee costs for Tata Passenger Vehicles increased by 17.4% to ₹2,023 crores in FY24 from ₹1,723 crores in FY23, mainly due to yearly increments, various wage settlements during the year and increase in headcount. The employee costs as a percentage of revenue increased to 3.9% in FY24 from 3.6% in FY23.

The permanent headcounts increased by 10.6% as at March 31, 2024 to 7,365 employees from 6,587 employees as at March 31, 2024.

Jaguar & Land Rover:

The employee costs at Jaguar Land Rover increased by 30.4% to ₹31,895 crores (£3,064 million) in FY24 from ₹24,458 crores (£2,524 million) in FY23. Increase is driven by rise in average headcount and also annual increments. The average headcount increased by 9.3% (FY24 average 41,930 vs FY23 average 38,379). The increase was also due to unfavourable foreign currency translation impact from GBP to INR of ₹2,207 crores. The employee costs as a percentage of revenue decreased to 10.5% in FY24 from 11.0% in FY23 (in GBP terms).



Management Discussion and Analysis

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 2.5% and 3.1% of total revenues ₹10,959 crores and ₹10,662 crores for FY24 and FY23, respectively.

Other Expenses:

Other expenses increased by 27.7% to ₹78,875 crores in FY24 from ₹61,786 crores in FY23. There was unfavourable foreign currency translation of GBP to INR of ₹4,434 crores.

The major components of expenses are as follows:

	(₹ in crores)				
	FY24	FY23	Change (%)	% of Revenue	
				FY24	FY23
Processing charges	2,005	1,786	12.3	0.5	0.5
Stores, spare parts and tools consumed	2,098	1,610	30.3	0.5	0.5
Freight, transportation, port charges, etc.	8,889	7,548	17.8	2.0	2.2
Power and fuel	2,195	2,513	(12.7)	0.5	0.7
Warranty charges and Product Liabilities	13,586	10,497	29.4	3.1	3.0
Publicity	9,221	6,035	52.8	2.1	1.7
Information technology/computer expenses	5,295	3,970	33.4	1.2	1.1
Provision and write off of sundry debtors, finance receivables and advances (net)	1,317	2,086	(36.9)	0.3	0.6
Engineering expenses	7,716	4,401	75.3	1.8	1.3
MTM (gain)/loss on commodity derivatives	1,531	1,415	8.2	0.3	0.4
Works operation and other expenses	25,022	19,925	25.6	5.7	5.8
Other Expenses	78,875	61,786	27.7%	18.0	17.9

- Freight and transportation expenses increased by 17.8% to ₹8,889 crores in FY24. This is also due to unfavourable currency translation of ₹511 crores from GBP to INR. At Jaguar Land Rover freight and transportation expenses were increased from ₹630 million in FY23 to ₹710 million in FY24, mainly due to increase in sales volume. For India operations, expenses was flat from ₹1,346 crores in FY23 to ₹1,357 crores in FY24 contributed by a decrease in Commercial Vehicles at 3.9% from ₹1,142 crores in FY23 to ₹1,098 crores in FY24, offset by increase in Passenger Vehicles expenses by 27.3% from ₹204 crores in FY23 to ₹259 crores in FY24. As a % to revenue, freight and transportation expenses was 2.0% in FY24, as compared to 2.2% in FY23.
- Our works operation and other expenses represented 5.7% and 5.8% of total revenue in FY24 and FY23, 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 ₹25,022 crores in FY24 from ₹19,925 crores in FY23, mainly on account of miscellaneous contract job/outsourcing expenses and unfavourable foreign currency translation impact from GBP to INR of ₹3,071 crores.
- Publicity expenses represented at 2.1% and 1.7% of our total revenues in FY24 and FY23 respectively. The publicity expenses at Jaguar Land Rover increased to ₹777 million (2.7% of the revenue) in FY24 compared to ₹509 million (2.2% of revenue) in FY23. During the year JLR refreshed its existing collections with model year updates, including the arrival of the most powerful and dynamic Range Rover Sport ever, the superlative Range Rover Sport SV Edition One. Invite-only orders for this vehicle were fully reserved ahead of its launch in May, demonstrating its enormous desirability Tata motors passenger vehicles limited revolutionized the CNG segment in the country by introducing AMT in CNG cars. Passenger Cars also introduced facelifts of Nexon, Harrier and Safari with significant design changes and several futuristic technologies. Facelift of Nexon.ev was launched with an extended range of 465 kms. Tata passenger electric mobility (TPEM) also introduced advanced Pure EV architecture – acti.ev and will underpin future products from the TPEM portfolio.
- The allowances for finance receivables are related to Vehicle Financing segment. These allowances mainly reflect provisions for the impairment of vehicle loans which decreased by 43.4% to ₹1,153 crores for FY24, compared to ₹2,039 crores in FY23.

The decrease is mainly due to lower provisions for restructured portfolio. The allowances for trade and other receivables were ₹197 crores in FY24, compared to ₹81 crores in FY23.

- Warranty and product liability expenses represented 3.1% and 3.0% of our total revenues in FY24 and FY23, respectively. The warranty expenses at Jaguar Land Rover increased to ₹1,034 million (3.6% of the revenue) in FY24, compared to ₹885 million (3.9% of revenue) in FY23, 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 represented at 2.0% and 1.5% in FY24 and FY23, Passenger Vehicles partially decreased from 0.3% in FY24 to 0.7% in FY23, thereby on overall level represent 1.4% and 1.2% of the revenue for FY24 and FY23, respectively, due to quality improvements and product mix.
- Engineering expenses increased by 75.3% to ₹7,716 crores in FY24, compared to ₹4,401 crores in FY23. These expenses represent 1.8% and 1.3% of our total revenues in FY24 and FY23, respectively and are attributable mainly to increased expenditure at Jaguar Land Rover.

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 45.2% to ₹26,758 crores in FY24 from ₹18,435 crores in FY23. The increase is also due to favourable foreign currency translation impact from GBP to INR of ₹1,680 crores pertaining to Jaguar Land Rover.

Total amount incurred by the Company on product development was ₹29,579 crores in FY24 as compared to ₹20,091 crores FY23, of which 63.0% was capitalised in FY24 as compared to 46.9% FY23.

Other income:

There was a net gain of ₹5,950 crores in FY24, compared to ₹4,633 crores in FY23, representing increase of 28.4%.

Interest income increased to ₹2,608 crores in FY24, compared to ₹1,251 crores in FY23, mainly increased short term fixed deposit at Tata Motors Limited (including Passenger and Electric Vehicles) and Jaguar Land Rover.

Depreciation and Amortization:

Our depreciation and amortization expenses increased by 9.7% in FY24 as compared to FY23, the breakdown of which is as follows:

Particulars	(₹ in crores)		
	FY24	FY23	Change
Depreciation	13,060	11,799	10.7
Amortization	12,924	11,954	8.1
Amortization of Leased Assets (RTU)	1,286	1,107	16.2
Total	27,270	24,860	9.7

Depreciation & Amortization expenses increased to ₹27,270 crores in FY24, compared to ₹24,860 crores in FY23, majorly increase represents towards Tata Motors Standalone at ₹2,017 crores in FY24 as compared to ₹1,767 in FY23 and Jaguar Land Rover at ₹22,647 crores in FY24 as compared to ₹20,439 in FY23.

Finance Cost (interest expenses):

Our interest expense (net of interest capitalized) decreased by 2.3% to ₹9,986 crores in FY24 from ₹10,225 crores in FY23. As a percentage of total revenues, interest expense represented 2.3% and 3.0% in FY24 and FY23, respectively. The interest expense (net) for Jaguar Land Rover was ₹469 million (₹4,892 crores) in FY24, compared to ₹507 million (₹4,898 crores) in FY23. The decrease is mainly on account of debt and bond repayment. For Tata Commercial Vehicles and Tata Passenger Vehicles, interest expense decreased to ₹2,632 crores in FY24 from ₹2,795 crores in FY23, reflecting decrease in borrowings. For the Vehicle Financing business, interest expense decreased by 5.8% to ₹2,718 crores in FY24 from ₹2,885 crores in FY23, mainly due to lower borrowings.



Management Discussion and Analysis

Foreign exchange (gain)/loss (net):

We had a net foreign exchange loss of ₹24 crores in FY24, compared to gain of ₹104 crores in FY23.

- Jaguar Land Rover recorded an exchange gain of ₹190 crores in FY24, compared to ₹154 crores in FY23 on account of foreign exchange and fair value adjustments.
- For our India operations, we incurred a net exchange loss of ₹258 crores in FY24, compared to ₹308 crores in FY23, mainly attributable to foreign currency denominated borrowings.

Exceptional Item (gain)/loss (net):

Particulars	₹ in crores)	
	FY24	FY23
Defined benefit pension plan amendment past service cost	-	(1,495)
Impairment of property, plant and equipment and provision for intangible assets under development	102	230
Reversal of impairment in subsidiaries	-	(214)
Provision for employee pension scheme	762	-
Others	113	(111)
Total	977	(1,591)

FY24

Tata Motors Limited (the "Company") had by way of an application, addressed to the Employee Provident Fund Organisation ("EPFO"), surrendered its exempted Pension fund w.e.f. October 1, 2019. Subsequently, the Company incurred losses for three consecutive years (during FY 2019-20, 2020-21 & 2021-22), thereby calling for an automatic cancellation/ withdrawal of pension fund exemption. On November 4, 2022, the Hon'ble Supreme Court also ruled that those who were members of a statutory pension fund as on September 1, 2014, can exercise a joint option with their employer to contribute to their Pension fund beyond the statutory limit and be eligible to draw their pension calculated based on last 5 years average salary. The Company accepted and approved the applications filed by its employees for joint option to contribute on higher salary on the EPFO's portal. As per the actuarial valuation, a provision of ₹762.36 crores has been made for pension on higher salary during year ended March 31, 2024, respectively. EPFO, however, redirected a few of such Joint Applications to the Company's Pension Trust. Considering this, along with the fact that there was no positive movement towards the conclusion surrender

process of the pension fund, the Company filed a Writ Petition with Hon'ble Delhi High Court for seeking directions to EPFO to immediately start administering TML's Pension Fund, not to reject the joint applications and reconsider the applications it has redirected. The trade unions have also filed another Writ Petition for expediting the transfer of pension fund corpus and accepting the Joint Applications of the employees. The matter shall be listed before the High Court on May 16, 2024 for arguments.

FY23

Defined benefit pension plan amendment past service cost

During FY23, Jaguar Land Rover had 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 Design Tech Centre plc (TMDTC) (Formerly known as Tata Motors European Technical Centre PLC) and Trilix S.r.l (Trilix) have been transferred to Tata Motors Passenger Vehicle Limited, a wholly owned subsidiary of the Company, w.e.f. January 1, 2022. These subsidiaries were then transferred to Tata Passenger Electric Mobility Ltd., another wholly owned subsidiary of the Company. During FY23, the Company reassessed the recoverable value of assets belonging to TMDTC and accordingly provision for impairment towards the assets was reversed amounting to ₹214 crores (£23.57 million)

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.

Tax expenses / (credit):

Our income tax credit is ₹3,852 crores in FY24 compared to expense of ₹704 crores in FY23, resulting in consolidated effective tax rates of negative 13.8% and positive 20.0%, for FY24 and FY23, respectively. Current tax expense for FY24 ₹4,937 crores as compared to ₹3,258 crores in FY23, whereas there is deferred tax credit of ₹8,789 in FY24 crores as compared to ₹2,554 crores in FY23.

There is significant income tax (credit) referred to above due to the following reasons:

- During FY24, the Company recognised Deferred Tax Assets of ₹1,249 crores on previously unrecognised business loss based on the probability of sufficient taxable profit in future periods against which such business loss will be set off. Further, the Company has also utilised the deferred tax asset created in FY23 on the unabsorbed depreciation and capital loss created against the profit on sale of investments in a subsidiary company and other income in FY24 by ₹1,029 crores, resulting in net tax credit of ₹157 crores. (considering other tax expense items.)
- During FY23, 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 asset was recognised as at March 31, 2023.
- During FY24, Jaguar Land Rover recognized ₹7,094 crores deferred tax asset, on previously unrecognized unused business losses considering the business forecast showing improved profitability.
- During FY24, Tata Motors Ltd utilized business losses of ₹960 crores, whereas in FY23 it was ₹365 crores. The tax losses utilized for Jaguar land Rover is ₹3,983 crores in FY24. The tax losses utilized in FY24 for certain subsidiaries and joint operations was ₹152 crores as compared to ₹183 crores in FY23.
- In FY24, deferred tax assets not recognized because realization is not probable was ₹484 crores as compared to ₹692 crores in FY23, in certain subsidiaries, due to current loss profile.
- There is tax charge on undistributed earnings of subsidiaries amounting to ₹1,043 crores in FY24 as compared to ₹602 crores in FY23, due to increased profitability.

Profit after tax:

Our consolidated net profit in FY24, excluding shares of non-controlling interests, is ₹31,399 crores, as compared to ₹2,414 crores in FY23. 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 amounted to ₹25,382 crores in FY24, compared to ₹3,482 crores in FY23. During FY23, 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 ₹6,483 crores in FY24, compared to ₹3,693 crores in FY23. During FY24, Tata Motors Ltd has made a provision for pension liability of ₹762 crores.
- Earnings before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Tata Passenger Vehicles amounted to ₹1,016 crores in FY24, compared to ₹542 crores in FY23, due to increased sales volume and better product mix.
- Earnings before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Vehicle Financing amounted to ₹1,822 crores in FY24, compared to ₹1,499 crores in FY23. Profit was improved mainly due to lower 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 FY24, our share of equity-accounted investees reflected a profit of ₹700 crores, compared to profit of ₹336 crores in FY23. Our share of profit (including other adjustments) in the China Joint Venture in FY24 was ₹156 crores, compared to ₹144 crores in FY23. Further profits were increased mainly due to profits of ₹445 crores in other immaterial associates mainly Tata Autocomp Systems Ltd. and Tata Hitachi Construction Machinery Company Ltd in FY24. 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 ₹408 crores in FY24 from ₹276 crores in FY23, mainly due to increased profits of Tata Technologies and increase in non-controlling interest holding.



Management Discussion and Analysis

B. Balance Sheet

Below is a discussion of major items and variations in our consolidated balance sheet as at March 31, 2024, and 2023, included elsewhere in this annual report.

	As at March 31, 2024	As at March 31, 2023	Change	Translation of JLR	Net Change
(₹ in crores)					
ASSETS					
(a) Property, plant and equipment and intangible assets	1,56,124	1,45,514	10,610	3,983	6,627
(b) Goodwill	860	841	19	-	19
(c) Financial assets	1,33,738	1,22,954	10,784	2,261	8,523
(d) Deferred tax assets (net)	13,099	5,185	7,914	393	7,522
(e) Current tax assets (net)	2,231	1,816	415	1	415
(f) Other assets	16,150	18,189	(2,040)	375	(2414)
(g) Inventories	47,788	40,755	7,033	1,273	5,760
(h) Assets classified as held-for-sale	674	828	(154)	18	(172)
TOTAL ASSETS	3,70,664	3,36,081	34,583	8,304	26,279
EQUITY AND LIABILITIES	93,094	52,600	40,494	2,470	38,024
LIABILITIES					
(a) Financial liabilities	2,20,847	2,35,516	(14,669)	4,394	(19,063)
(b) Provisions	28,828	25,007	3,821	793	3,028
(c) Deferred tax liabilities (net)	1,143	1,407	(264)	31	(294)
(d) Other liabilities	25,225	20,297	4,928	573	4,354
(e) Current tax liabilities (net)	1,527	1,254	273	42	231
TOTAL LIABILITIES	2,77,570	2,83,482	(5,912)	5,833	(11,745)
TOTAL EQUITY AND LIABILITIES	3,70,664	3,36,081	34,583	8,304	26,279

The increase by 10.3% in assets as at March 31, 2024, as described below.

Property, Plant and Equipment: Property, plants and equipment (net of depreciation) decreased by 4.6% from ₹76,641 crores as at March 31, 2023, to ₹73,125 crores as at March 31, 2024. The decrease is partly offset by favourable foreign currency translation of ₹1,649 crores from GBP to INR. After adjusting for the foreign currency translation impact, decrease of ₹3,517 crores is mainly due to lower addition during the year.

Goodwill: Goodwill as at March 31, 2024, was ₹860 crores, compared to ₹841 crores as at March 31, 2023. The increase was attributable to a favourable translation impact pertaining to software consultancy and the services of our subsidiary, Tata Technologies Limited.

Intangible Assets: Intangible assets increased by 14.6% from ₹55,851 crores as at March 31, 2023, to ₹64,002 crores as at March 31, 2024. This increase is mainly due

to higher capitalization of product development costs. This increase is also by favourable foreign currency translation of ₹1,835 crores from GBP to INR. As at March 31, 2024, there were product development projects in progress amounting to ₹24,761 crores compared to ₹9,055 crores as at March 31, 2023.

Inventories: As at March 31, 2024, inventories were at ₹47,788 crores, compared to ₹40,755 crores as at March 31, 2023, an increase of 17.3%. The increase in finished goods inventory was ₹7,450 crores from ₹29,171 crores as at March 31, 2023, to ₹36,622 crores as at March 31, 2024, 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 ₹1,273 crores from GBP to INR. In terms of number of days to sales, finished goods represented 44 inventory days in sales in FY24, compared to 43 inventory days in FY23.

Other assets: Our other assets (current and non-current) decreased by 11.2% to ₹16,150 crores as at March 31, 2024, from ₹18,189 crores as at March 31, 2023. This decrease is majorly on account of employee benefits (pension at JLR) which was reduced from ₹6,732 crores as at March 31, 2023 to ₹3,188 crores as at March 31, 2024 offset by increase in advance to suppliers by ₹1,315 crores.

Deferred Tax Assets & Deferred Tax Liability: A deferred tax asset (net) of ₹8,789 crores was recorded in our income statement and a deferred tax asset (net) of ₹133 crores in other comprehensive income. The deferred tax asset of ₹13,099 crores was recorded as at March 31, 2024, compared to ₹5,185 crores as at March 31, 2023 due to recognition of losses, on probability of sufficient taxable profits in future.

Provisions: Provisions (current and non-current) increased by 15.3% to ₹28,828 crores as at March 31, 2024 from ₹25,007 crores as at March 31, 2023. Provisions for warranties increased by 15.9% or ₹2,947 crores to ₹21,439 crores as at March 31, 2024, compared to ₹18,492 crores as at March 31, 2023 mainly at Jaguar Land Rover increased from GBP 1,627 million to GBP 1,865 million as at March 31, 2024.

Accounts Payable & Acceptances: There were ₹93,979 crores as at March 31, 2024, compared to ₹79,252 crores as at March 31, 2023, an increase of 18.6%, reflecting increase in operations at Jaguar Land Rover and an unfavourable foreign currency translation of ₹2,279 crores from GBP to INR.

Other Liabilities: Increased by 24.3% to ₹25,224 crores as at March 31, 2024, compared to ₹20,297 crores as at March 31, 2023. There has been increase of ₹2,877 crores as at March 31, 2024 on account of contract liabilities, an increase of 23.5% as compared to FY23.

Financial Liabilities: Financial liabilities (current and non-current) were ₹2,20,847 crores as at March 31, 2024, compared to ₹2,35,516 crores as at March 31, 2023 (net of favourable currency translation impact of ₹4,394 crores), reflecting liabilities towards borrowings, lease liability and Trade payables.

C. Cash Flow

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

(₹ in crores)			
Particulars	FY24	FY23	Change
Cash from operating activity	67,915	35,388	32,527
Profit/Loss for the year	31,807	2,690	
Adjustments for cash flow from operations	33,300	39,004	
Changes in working capital	7,325	(3,127)	
Direct taxes paid	(4,516)	(3,179)	
Cash used in investing activity	(22,828)	(16,804)	(6,024)
Payment for Assets	(31,183)	(18,647)	
Net investments, short term deposit, margin money and loans given	5,766	801	
Dividend and interest received	2,589	1,042	
Net Cash used in Financing Activities	(37,006)	(26,243)	(10,763)
Proceeds/(buy back) from issue of share to minority shareholders	3,812	(395)	
Dividend Paid (including paid to minority shareholders)	(1,059)	(141)	
Interest paid	(9,332)	(9,336)	
Proceeds from issue of shares and share application pending allotment	82	20	
Net Borrowings (net of issue expenses)	(30,509)	(16,390)	
Effect of Foreign Exchange on cash and cash equivalent	47	1,387	
Net increase / (decrease) in cash and cash equivalent	8,128	(6,272)	14,400

**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.*

Management Discussion and Analysis

Cash and cash equivalents increased by ₹8,128 crores in FY24 to ₹40,015 crores from ₹31,887 crores in FY23. The increase in cash and cash equivalents resulted from the changes to our cash flows in FY24 when compared to FY23 as described below.

Net cash provided by operating activities totalled ₹67,915 crores in FY24, an increase of ₹32,527 crores, compared to ₹35,388 crores in FY23. The net profit for the FY24 is ₹31,807 crores, compared to ₹2,690 crores in FY23. The cash flows from operating activities before changes in operating assets and liabilities is of ₹65,106 crores in FY24, compared to ₹41,694 crores in FY23. The changes in operating assets and liabilities resulted in a net inflow of ₹7,325 crores in FY24, compared to net outflow of ₹3,127 crores in FY23.

In FY24, the net outflow in vehicle finance receivables was ₹725 crores compared to a net inflow of ₹617 crores in FY23. For Tata Commercial Vehicles and Tata Passenger Vehicles there was an inflow of ₹850 crores in FY24 on account of changes in operating assets and liabilities, compared to ₹134 crores in FY23. For Jaguar Land Rover brand vehicles, there was a net inflow of cash on account of changes in operating assets and liabilities accounting to ₹6,619 crores in FY24, compared to ₹3,475 crores in FY23.

Income tax paid has increased to ₹4,516 crores in FY24, compared to ₹3,179 crores in FY23, 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 ₹22,828 crores in FY24, compared to ₹16,804 crores for FY23, an increase of ₹6,024 crores.

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 ₹26,925 crores in FY24 compared to positive ₹7,840 crores in FY23. This is mainly on account of improvements in cash profit and working capital.

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)	
Particulars	FY24	FY23
Tata Commercial Vehicles	2,101	1,787
Tata Passenger Vehicles	4,237	3,220
Jaguar Land Rover	24,592	13,591
Others	253	49
Total	31,183	18,647

Jaguar Land Rover had positive free cash flow of £2,269 million in FY24, after total investment spending of £2.4 billion. In FY24, payments for capital expenditures at Jaguar Land Rover increased by 80.9% to ₹24,592 crores from ₹13,591 crores in FY23. Investment spending in FY24 was £3.3 billion (11.3% of revenue), higher than £2.4 billion (10.3% of revenue) in the prior year. Of the £3.3 billion investment spending, £880 million was expensed through the income statement and the remaining £2.4 billion was capitalised. Total engineering and product spending accounted for £2.3 billion (71.5%) of investment spending, while tangible and other intangible assets accounted for the remaining £930 million (28.5%).

Further, in FY24, payments for capital expenditures at Tata Commercial Vehicles and Tata Passenger Vehicles increased to ₹6,338 crores from ₹5,007 crores in FY23. These capital expenditures are related to new products under development.

Our net investment in short-term deposit margin moneys and loans resulted in an inflow of ₹5,766 crores in FY24, compared to ₹801 crores in FY23. This is mainly due to redemption of mutual fund in FY24, compared to FY23.

Net cash outflow from financing activities totalled ₹37,006 crores in FY24, compared to ₹26,243 crores in FY23. Net repayment of borrowings (net of issue expenses) done during FY24 of ₹30,509 crores, compared to ₹16,390 crores during FY23. For Tata Commercial Vehicles and Tata Passenger Vehicles excluding vehicle financing, the short-term debt (net) increased by ₹1,108 crores, whereas long-term debt (net) decreased by ₹5,643 crores, due to repayments. There was a decrease in debt (short-term and long-term) of ₹3,904 crores in FY24 at Vehicle Financing, compared to ₹2,499 crores in FY23 on account of repayments.

For Jaguar Land Rover, short term debt decreased to £1,256 million in FY24 (£1,478 million in FY23) and Long-term debt (excluding lease liabilities) decreased to

£2,936 million in FY24 (£4,600 million in FY23), including repayment of €650 million and ¥500 million bond and £250 of the UKEF backed loan which amortized over the course of the year. As at March 31, 2024, the Group has a fully undrawn revolving credit facility of £1,520 million (2023: £1,520 million). In December 2022 we renewed the Revolving Credit Facility for £1.5 billion, extending the facility until April 2026. No new debt was raised during FY24. Lease obligations payments totalled £74 million in FY24 compared to £72 million in FY23.

Interest paid in FY24 was ₹9,332 crores, compared to ₹9,336 crores in FY23. For Jaguar Land Rover, interest paid was ₹4,565 crores in FY24, compared to ₹4,288 crores in FY23 primarily because of the higher indebtedness as well as lower yield on cash balances. For Tata Commercial Vehicles and Tata Passenger Vehicles, interest paid was ₹2,098 crores in FY24, compared to ₹2,090 crores in FY23. For Vehicle Financing, interest paid was ₹2,208 crores in FY24, compared to ₹2,502 crores in FY23.

During FY24, we have partially sold 21.3% stake in Tata Technologies Ltd. (TTL) for total consideration of ₹3,812 crores. The gain on sale has been accounted in retained earnings as we retain the control in TTL.

D. KEY FINANCIAL RATIOS

The details of significant changes (25% or more) in the key financial ratios in FY24 compared to FY23 is as follows:

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Change %	Favourable/ Unfavourable	Reason for change
Debt Equity Ratio (number of times)	1.16	2.77	(58.1)	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 improved compared to previous year
Debt Service Coverage Ratio (number of times)	0.75	0.23	226.1	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)	4.52	1.17	286.3	Favourable	Due to higher Earnings before finance costs, exceptional items and Tax.
Current ratio (number of times)	0.97	0.98	(1.0)	Unfavourable	
Long term debt to working capital (number of times)	3.56	5.30	(32.8)	Favourable	
Debtors' turnover (in times)	26.56	24.25	9.5	Unfavourable	
Inventory turnover (in times)	6.16	5.89	4.6	Unfavourable	
Operating margin (%)	13.7	9.2	48.4	Favourable	Due to improved business performance
Net profit margin (%)	7.3	0.8	834.2	Favourable	Due to increase in net profit after tax during the year
Return on capital employed (%)	18.7	6.5	187.7	Favourable	Due to improved business performance

Notes:-

- (i) Total debt includes non-current and current borrowings.
- (ii) Equity = equity attributable to owners of Tata Motors Limited
- (iii) Repayment of borrowing includes repayment of long-term borrowings, proceeds from short-term borrowings, repayment of short-term borrowings and net change in other short-term borrowings (with maturity up to three months).
- (iv) Long term borrowings (including current portion of long term borrowings)
- (v) Working capital = current assets-current liabilities (excluding current maturities of long term debt and interest accrued on borrowings)
- (vi) Raw material consumed includes cost of materials consumed, purchase of products for sale and changes in inventories of finished goods, work-in-progress and products for sale.
- (vii) Inventory includes raw materials and components, work-in-progress, finished goods, stores and spare parts, consumable tools and goods-in-transit-raw materials and components.
- (viii) ROCE includes Adjusted Earnings Before Interest & Tax (EBIT) / Average Capital employed (Net worth + Gross Borrowings + Lease Liabilities)



Management Discussion and Analysis

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 policies for liquidity and capital resources are appropriate for automotive operations and are set with business specific sensitivity 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 mix of equity, convertible or non-convertible debt securities and other long and short-term borrowings along with working capital limits from banks. We raise 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.

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

	₹ in crores)	
	As of March 31, 2024	As of March 31, 2023
Short-term debt (excluding current portion of long-term debt)	5,734	14,067
Current portion of long-term debt	30,617	22,898
Long-term debt net of current portion	62,149	88,696
Total Gross Debt	98,500	1,25,660

The following table sets forth a summary of the maturity profile for our outstanding long-term debt obligations (including current maturities of long-term borrowings, **including interest**) as of March 31, 2024.

Payment Due by Period	₹ in crores
Within one year	41,653
After one year and upto two years	24,371
After two year and upto five years	39,726
After five year and upto ten years	6,902
Total	112,652

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, 2024	As of March 31, 2023
Total cash and cash equivalent	40,015	31,887
Total short-term deposits	5,202	4,487
Total mutual fund investments	13,988	18,704
Total liquid assets	59,205	55,078

The net auto debt (Including Lease liabilities) as at March 31, 2024 is ₹16,022 crores as compared to ₹43,687 crores as at March 31, 2023.

We will continue to invest for domestic business to cater to increasing demand, launch new products and technologies and explore new business avenues. Jaguar Land Rover has cumulative investment plans of £3.5 billion in FY25 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. Any additional funding requirements if needed, can be met through loans, incentives and other means from time to time. Despite significantly higher investments, we are expecting our business to be self-sustaining and we aim to get to net debt free (automotive) in FY25.

Long-term funding

In FY23 and FY24, the funding requirements were largely met through internal accruals and details of major funding and repayments during FY23 and FY24 are provided below.

In FY23 and FY24, Tata Motors and Jaguar Land Rover did not raise any new long-term borrowings.

In FY23, 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 issued by Jaguar Land Rover Automotive Plc in January 2013 bearing a coupon of 5.625% matured and were fully repaid. In March 2023, the £400 million senior notes issued by Jaguar Land Rover Automotive Plc in February 2015 with a coupon of 3.875% matured and were fully repaid.

During FY23, 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 for TMF group which raised ₹872 crores during FY23.

In October 2022, TML Holdings Pte Ltd raised £375 million-syndicated loan facility for 5-year bullet maturity. The proceeds were used to prepay existing loan of £225 million which were due in July 2023. The balance proceeds were used to repay £98 million credit enhanced notes which were due in July 2023.

Pursuant to the 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), TPEML received the second and final tranche of ₹3,750 crores as on January 31, 2023.

In May 2023 Tata Motors Limited made a tender offer to External Commercial Borrowing Bond Holders for purchase for cash the outstanding US\$250 million 5.75% senior notes. US\$111.943 million in aggregate principal amount of the ECB Bonds were validly tendered pursuant to the Offer and were prepaid.

In October 2023, Tata Motors Limited completed the sale of 9.9% stake in its subsidiary Tata Technologies Ltd (TTL) resulting in cash inflow of ₹1,613.6 crores. In November 2023, pursuant to the Initial Public Offer of TTL, TML further sold 46,275,000 Equity Shares in TTL resulting in a cash inflow of ₹2,198.7 crores.

Also, during FY24, Tata Motors Limited fully prepaid ECB loan of US\$237.468 million, which was due for repayment in June 2025.

During FY24, JLR repaid out of cash a €650 million bond in January 2024, ¥2 billion partially of the ¥5 billion China syndicated loan in October 2023 and repaid remaining ¥3 billion of the China syndicated loan in March 2024, in addition to £250 million of the loans guaranteed by UKEF which amortise throughout the year. Also, a tender offer was made in October 2023 for the €500 million 6.875% senior notes due November 2026, the \$650 million 5.875% senior notes due January 2028 and the \$500 million 5.500% senior notes due July 2029. A total of c. £330 million equivalent of notes were tendered under the offer.

In February 2024, TML Holdings Pte Ltd signed a Facility Agreement of £275 million, of which £215 million is a syndicated loan facility, with a 12-month bullet maturity. The balance £60 million is a Committed Revolving Credit Facility (RCF) for 24 months to support liquidity. As at March 31, 2024, the Facility remains unutilized.

During FY24, bank borrowings continued to be the major source for long-term funding and TMFHL along with its

subsidiaries (TMF Group) raised ₹8,302 crores (including External Commercial Borrowings).

During FY24, our subsidiaries TML Smart City Mobility Solutions Limited, TML CV Mobility Solutions Limited and TML Smart City Mobility Solutions J&K Private Limited raised funds for its capex towards GCC contracts for operating e-buses. A cumulative amount of ₹837 crores was raised for a term of 8-10 years through our relationship banks. The banks have also sanctioned fund based working capital limits of ₹50 crores.

We plan to continue our deleveraging strategy and focus on reduction of gross debt.

Short-term funding

As at March 31, 2024, the unutilized working capital limits for Tata Motors Limited were at ₹7,628 crores. The unutilized working capital Limits for TMPVL were ₹1,500 crores as at March 31, 2024. 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 limits are renewed annually.

During FY24, banks have sanctioned unsecured fund based working capital limits in Tata Passenger Electric Mobility Limited (TPEML) of ₹50 crores. As on March 31, 2024, the limit is unutilized.

For Jaguar Land Rover, the unutilized revolving credit facility was £1.52 billion as at March 31, 2024. In our opinion, our working capital facilities and short-term borrowings are sufficient for the Company's present requirements.

March 31 2024, Jaguar Land Rover Limited had sold £588 million equivalent of trade receivables under its debt factoring facility, which was renewed FY23 to a \$900 million facility.

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 net-worth, earnings, liability and debt related ratios.



Management Discussion and Analysis

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 FY24, the Company is in compliance with all the covenants.

Certain debt issued by Jaguar Land Rover, such as the UKEF facilities and the GBP 1.52 billion revolving credit facility, are subject to customary covenants and events of default, which include, among other things, minimum liquidity requirement and 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, 2024, the estimated amount that is available for dividend payments, other distributions and restricted payments was approximately £2.1 billion.

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, 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 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.

During FY24, 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, 2024, is effective.

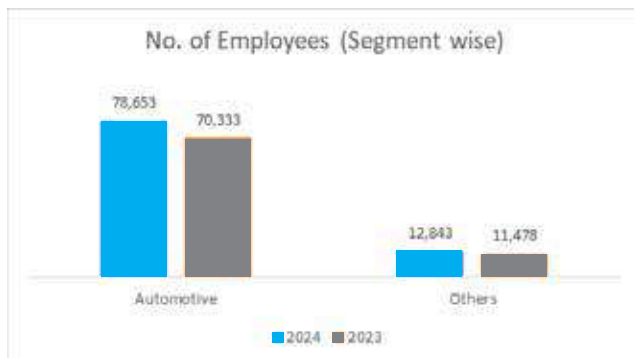
HUMAN RESOURCES / INDUSTRIAL RELATIONS

Our people are our best assets. Their calibre and commitment is 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 91,496 and 81,811 permanent employees as of March 31, 2024 and 2023, respectively. The average number of flexible (temporary, trainee and contractual) employees for FY24 was approximately 38,660 compared to 36,082 (including joint operations) in FY23.

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



BUILDING AN EFFECTIVE ORGANISATIONAL CULTURE

Culture is a key enabler to optimise potential, retain and also attract top talent to fuel performance within the organisation. More When One with its four culture pillars – Be Bold, Solve Together, Own it & Be Empathetic, serves as a guiding force for to take larger strides in curating a desirable employee and business experience. These culture pillars were further defined through eight distinct leadership behaviours – Agility, Risk taking, Owner's Mindset, Empowerment, Collaboration, Accountability, Embrace Diversity and Passion for Customers.

A Culture survey is conducted to gauge 3 dimensions of engagement scores, culture pillar scores as well as change management scores. 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

In line with our Culture direction, being future ready is the key commitment to being Bold – agile and risk taking. Committed to empowering our employees, we are fostering their development by strengthening their functional, managerial and leadership capabilities to make them future-fit. Tata Motors Academy designs and executes appropriate training modules to address Organization-wide capability building, Functional and Leadership Development needs of the various segments of our workforce. The academy focuses on functional pillars – Customer Excellence, Product Leadership, Operational Excellence and Management Education. The emphasis of the functional academies is to reinforce capability building in the organization focus areas of ACCESS, Digital, Industry 4.0 and ESG in order to remain ahead of the curve and to imbibe a sense of Learning ownership for self-growth.

Our journey to Reimagine is a constant, but our industry continues to evolve rapidly, and our technological landscape continues to push the boundaries of what is possible. This means the skills and capabilities of our workforce remain at the forefront of our People Strategy.

Talent Upskilling for the Future

Building on the momentum from FY23/24 we continue to evolve the skills of our workforce through upskilling programmes that build critical capabilities internally. Our engineers continue their development journey through attendance at co-created and bespoke courses developed in partnership with a local university, and the establishment of a partnership to deliver Electrification Safety upskilling. Furthermore, our Data Fellowship has seen learners engage in practical application of data practices driving improvements into their everyday work.

Transforming our ways of working to deliver modern luxury experiences for our House of Brands has been a key focus. A predicted 3,000 colleagues will join our Digital Accelerator development journey in 2024, developing critical skills in end-to-end client engagement and sales.

Developing Leaders

We are also shaping and embedding a culture change, with emphasis on colleague wellbeing, support and engagement. In FY2023/24 we saw over 2,800 leaders engage in our Reimagine Modern Leadership programmes, helping to develop the mindset and behaviours needed to deliver leadership excellence. We also saw over 95% of our line managers complete training to help improve their Mental



Management Discussion and Analysis

Health Awareness in the last twelve months and over 500 managers and leaders enrolled on our Manager Essentials programme, with new joiners being added every month.

Our Team Improvement Circle programme, which empowers employees to lead and deliver improvement initiatives, has connected over 2,500 colleagues across our global business. These initiatives along with other critical People Strategy components have led to a sustained improvement in colleague engagement and experience.

Early Careers

Early Careers and investment in apprentices, undergraduate and graduates continues to form a key foundation to our talent pool and a critical enabler of building skills for the future. Through hiring drives, we expect to see over 900 people join us in the UK and a further approximately 300 globally in 2024, at 20% increase on the previous year and a record intake for the company.

Our programmes have received external recognition, with JLR ranked 59th by graduates in the Times Top 100 Graduate Employers and 77th in Rate My Apprenticeship by apprentices for the first time. We have improved our ranking from 98th to 39th out of over 2,000 employers, in the Top 100 Apprenticeship Employers awarded by the Department of Education and have been named the top employer in the automotive sector by the Engineer.

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 Organisational & 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 organisation. Comprehensive leadership development approach is established based on talent assessments and identification process. Basis the developmental needs identified, developmental programmes 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 programme 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 endeavour 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. 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). We have conceived and developed industry first Earn n Learn program under the name 'Kaushalya'. ITI /XII std students are recruited under this program, imparted basic skills and then put on On-the-Job-Training (OJT) on shopfloor. Under the Kaushalya program the students undergo 2 /3 years 'Diploma in Mechatronics' by attending classes one day and OJT on shopfloor for 5 days in a week. The diploma syllabus and OJTs are designed to develop newer skills in the area of EV and Industry 4.0. These students after graduating are employed by our channel partners and vendors.

INDUSTRIAL RELATIONS

We have labour 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.

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 -25
Mumbai	31-Dec-25
Pune – Passenger Vehicles	31-Aug-25
Pantnagar – Commercial Vehicles	31-Mar-26
Lucknow – Commercial Vehicles	31-Mar-28
Sanand – Passenger Vehicles	31 July-24
Pune – Commercial Vehicles	31-Aug-25
Jamshedpur – Commercial Vehicles	31-Mar-26
Sanand 2 – TPPEM	31-Mar-28

A) LONG-TERM WAGE SETTLEMENTS (LTS)

We have successfully and amicably signed the long-term wage settlement (LTS) for our Sanand 2 (TPPEM) and Lucknow CV Plant 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.

B) BONUS

Bonus settlements have been signed at all locations with a formula-based calculation dependent upon the delta improvement in profitability, productivity, safety, and quality, thereby enhancing transparency for the employees.

C) EMPLOYEE ONBOARDING AT SANAND-2

We have successfully completed the on-boarding of over 751 employees from 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. The first vehicle rolled out from the plant on January 10, 2024, and it is gearing up to maximise the production to meet the market requirement.

DIVERSITY, EQUITY AND INCLUSION

Refer Page 96 for culture initiative

Jaguar Land Rover

We believe we must reflect the diversity of the world in which our colleagues and clients live so that we can truly thrive and create a culture where our people feel supported equitably, can be their authentic selves, and allow fresh ideas, challenges, and opinions to be heard.

To do this we are taking action to make tangible impact, measured against three internal targets:

Target 1: Globally, 30% of all senior leaders to be female, by 2026. FY24 performance is 7%.

Target 2: In the UK, 15% of all senior leaders to be from a Black, Asian or Mixed Ethnicity background, by 2026. FY24 performance is 18%.

Target 3: Globally, for our Inclusion Index to reach over 80 by 2026 FY24 performance is 80,

Our global Diversity, Equity and Inclusion policy highlights our zero tolerance approach to bullying, harassment, and other negative behaviours.

Since their appointment in 2022 our two Diversity, Equity and Inclusion Board co-sponsors, Barbara Bergmeier and François Dossa, have been determined to continue our progress and to collaborate to make an environment where we all feel proud to work and ensure diversity, equity and inclusion is represented at the highest levels of our business. This

year they have both been taking part in reverse mentoring to further their understanding of different characteristics, supported the Kaleidoscope Trust, talked on the Rugby World Cup panel with our Defender Trailblazers, held many listening circles and attended all network events. They are supported by fourteen global colleague network groups, ensuring that colleagues have spaces to share their lived experiences, and learn from one another's experiences. These have been instrumental in showcasing the power of allyship within our organisation. In FY25 we will be focusing on a digital learning roll out across all our regions outside the UK.

In September 2023, we held our first Global DE&I Summit which saw 600 people in person, over 4,000 people online in 26 countries with 17 global inclusion hubs. This event was a celebration of the progress made to date in changing our culture, and also introduced the term 'equity' to our business. This has cemented our ambition to ensure that all colleagues are supported.

External Partnerships

We continue to partner with the Business Disability Forum, working with them to inform our disability strategy. This will continue to be a key focus on this in FY25. We have also partnered with Amos Bursary in supporting the sponsoring of young students of African Caribbean descent from Year 12, for up to five years whilst they are in higher education. As part of this we provide mentoring to help students think about what career paths they may want to pursue and support their ambitions.

Pay Gap Report - Gender and Ethnicity

In FY24, we continued to improve our pay gap reporting, breaking down the ethnicity split further in our second ethnicity report. We continue to make strides across both gender and ethnicity reporting in the UK. We also released our first gender pay gap report for Ireland. This shows our commitment to being more transparent both internally and externally, and ensures we use data to drive our actions and decision making.

We are committed to fostering a more diverse, equitable, inclusive and unified culture that is representative of our colleagues, our clients, and the society in which we live.

OPPORTUNITIES AND CHALLENGES

Refer Page 28 for Commercial vehicles, Page 38 for Passenger Vehicles, Page 44 for Electric Vehicles, and Page 52 for Jaguar Land Rover.

OUTLOOK:

Refer Page 32 for Commercial vehicles, Page 40 for Passenger Vehicles, Page 46 for Electric Vehicles, and Page 56 for Jaguar Land Rover.

