

# **Tata Marcopolo Motors Limited**

Ind AS financial statements for the year ended 31  
March 2021 together with the Independent Auditors'  
Report

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

Chartered Accountants

8th floor, Business Plaza,  
Westin Hotel Campus,  
36/3-B, Koregaon Park Annex,  
Mundhwa Road, Ghorpadi,  
Pune - 411001, India

Telephone +91 (20) 6747 7300  
Fax +91 (20) 6747 7310

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Tata Marcopolo Motors Limited**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of Tata Marcopolo Motors Limited (“the Company”), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

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

**Independent Auditor's Report of Tata Marcopolo Motors Limited for the year ended 31 March 2021**  
*(continued)*

**Emphasis of matter**

We draw your attention to Note 1.d to the financial statements, which describes the Management's assessment of the impact of COVID -19 pandemic on the significant uncertainties involved in developing some of the estimates involved in preparation of the financial statements including the assessment of going concern, recoverable values of its property, plant and equipment and intangible assets and the net realizable values of other assets. Based on information available as of this date, Management believes that no further adjustments are required to the financial statements. However, in view of the uncertain economic environment impacting the automotive industry and the Company's customers, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these financial statements.

Our opinion is not modified in respect of this matter.

**Management's and Board of Directors' Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

**Independent Auditor's Report of Tata Marcopolo Motors Limited for the year ended 31 March 2021**  
*(continued)*

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

**Independent Auditor's Report of Tata Marcopolo Motors Limited for the year ended 31 March 2021**  
*(continued)*

**Report on Other Legal and Regulatory Requirements** *(continued)*

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 27(b) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

B S R & Co. LLP

**Independent Auditor's Report of Tata Marcopolo Motors Limited for the year ended 31 March 2021**  
*(continued)*

**Report on Other Legal and Regulatory Requirements** *(continued)*

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

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

Place: Pune  
Date: 5 May 2021

**Swapnil Dakshindas**  
Partner  
Membership No. 113896  
ICAI UDIN: 2113896XXXXXXXXX

**Annexure A to the Independent Auditors' report on the financial statements of Tata Marcopolo Motors Limited for the year ended 31 March 2021**

With reference to the Annexure 'A' referred to in paragraph on "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the Members of the Company on the financial statements for the year ended 31 March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details, description and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. Accordingly, the management has conducted physical verification of certain fixed assets as per programme during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land. Factory building have been built on the land taken on sub-lease basis from the holding company; after obtaining the necessary permission from the office of Factories Inspectorate and are not required to be registered with the office of the Sub-register of Land and Revenue. Therefore, factory building do not have any title deeds.
- (ii) The inventory, except goods in transit, has been physically verified by the Management at reasonable intervals during the year including the year end. The discrepancies noticed on verification between the physical stock and the book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("Act"). Accordingly, paragraph 3(iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable.
- (iv) According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
- (v) The Company has not accepted any deposits from the public in terms of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 of the Act and the rules made there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any product sold or services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

**Annexure A to the Independent Auditors' report on the financial statements of Tata Marcopolo Motors Limited for the year ended 31 March 2021 (continued)**

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' state insurance, Income tax, Duty of customs, Goods and service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for Provident fund dues referred to in note 27 (c) to Ind AS financial statements. As explained to us, the Company did not have any dues on account of Sales tax, Service tax, Value added tax and Duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' state insurance, Income tax, Duty of Customs, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable. We draw attention to note 27 (c) to the Ind AS financial statements which more fully explains the matter regarding non-payment of provident fund contribution pursuant to Supreme Court judgement dated 28 February 2019.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Goods and Service tax which have not been deposited with the authorities on account of disputes except for the following:

Name of Statute	Nature of dues	Amount (in INR lakhs)	Amount paid under protest (in INR lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Laws	Excise duty and penalty	2,924.51	70.35	April 2008 to June 2017	CESTAT Bangalore
Finance Act, 1994	Service tax – CENVAT	133.16	4.99	December 2008 to October 2012	CESTAT Bangalore
Uttar Pradesh Value Added Tax, 2007	Value Added Tax	47.33	40.88	2007-08 & 2008-09	Commercial Taxes Tribunal Uttar Pradesh
Uttar Pradesh Value Added Tax, 2007	Value Added Tax	215.30	43.08	2009-10, 2013-14, 2014-15	Commissioner of Commercials Tax (Appeals)
Uttar Pradesh Value Added Tax, 2007	Value Added Tax	49.07	21.66	2010-11, 2011-12, 2012-13	Joint Commissioner (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company does not have any dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments).



**Annexure A to the Independent Auditors' report on the financial statements of Tata Marcopolo Motors Limited for the year ended 31 March 2021 (continued)**

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the Ind AS financial statements.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year.
- (xvi) The Company is not required to register under section 45-IA of the Reserve Bank of India, 1934.

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

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

Place: Pune  
Date: 5 May 2021

**Swapnil Dakshindas**  
*Partner*  
Membership No. 113896  
ICAI UDIN: 2113896XXXXXXXXXX

**Annexure B to the Independent Auditor's Report on Financial Statements of Tata Marcopolo Motors Limited for the year ended 31 March 2021.**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of Tata Marcopolo Motors Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). We also draw your attention to the emphasis of matter paragraph reported in audit report.

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

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

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

**Annexure B to the Independent Auditor's Report on Financial Statements of Tata Marcopolo Motors Limited for the year ended 31 March 2021 (continued)**

**Auditors' Responsibility (continued)**

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

**Meaning of Internal Financial controls with Reference to Financial Statements**

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

**Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

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

*Chartered Accountants*

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

Swapnil Dakshindas

Partner

Membership No. 113896

ICAI UDIN: XXXXXXXXXXXX

Place: Pune

Date: 5 May 2021

**Tata Marcopolo Motors Limited**  
**Balance sheet As at March 31, 2021**

		(₹ in Lakhs)	
		As at March 31,	As at March 31,
		2021	2020
I.	<b>ASSETS</b>	Note No.	2020
	<b>(1) Non-current assets</b>		
	(a) Property, plant and equipment	2	16,439.22
	(b) Capital work-in-progress		405.14
	(c) Right-of-use assets	3	1,497.19
	(d) Intangible assets	4	698.88
	(e) Intangible assets under development		651.90
	(f) Financial assets:		
	(i) Other financial assets	5	1,821.98
	(g) Advance income tax asset (net)	6	779.92
	(h) Deferred tax assets (net)	7	-
	(i) Other non-current assets	8	879.59
			<b>23,173.82</b>
	<b>(2) Current assets</b>		
	(a) Inventories	9	4,535.25
	(b) Financial assets:		
	(i) Trade receivables	10	15,254.61
	(ii) Cash and cash equivalents	11	1.36
	(iii) Loans	12	1,166.14
	(iv) Other financial assets	5	0.08
	(c) Other current assets	13	971.64
			<b>21,929.08</b>
	<b>TOTAL</b>		<b>45,102.90</b>
			<b>38,328.33</b>
II.	<b>EQUITY AND LIABILITIES</b>		
	<b>(1) Equity</b>		
	(a) Equity share capital	14	17,000.00
	(b) Other equity		(2,892.27)
			<b>14,107.73</b>
	<b>(2) Non-current liabilities</b>		
	(a) Financial liabilities:		
	(i) Borrowings	15	2,448.00
	(ii) Lease liabilities	16	1,197.57
	(b) Provisions	19	716.42
			<b>4,361.99</b>
	<b>(3) Current liabilities</b>		
	(a) Financial liabilities:		
	(i) Borrowings	15	15,232.17
	(ii) Lease liabilities	16	327.95
	(iii) Trade payables		
	(a) Total outstanding dues of Micro and small enterprises	17	823.19
	(b) Total outstanding dues of creditors other than Micro and small enterprises	17	8,303.77
	(iv) Acceptances		-
	(v) Other financial liabilities	18	1,428.00
	(b) Provisions	19	178.17
	(c) Other current liabilities	20	339.93
			<b>26,633.18</b>
	<b>TOTAL</b>		<b>45,102.90</b>
			<b>38,328.33</b>

See accompanying notes forming part of the Financial Statements

In terms of our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors  
**Tata Marcopolo Motors Limited**  
CIN : U34101MH2006PLC164771

**Swapnil Dakshindas**  
Partner  
Membership Number: 113896  
Place: Pune  
Date : 05th May, 2021  
UDIN : 21113896AAAACU2216

Girish Arun Wagh  
**Chairman**  
DIN: 03119361  
Place: Pune

Asim Kumar Mukhopadhyay  
**Director**  
DIN: 06520288  
Place: Thane

Andre Vidal Armaganijan  
**Director**  
DIN: 08037960  
Place: Brazil

Laxmiprasad Jahagirdar  
**Manager & Chief Executive Officer**  
Place: Dharwad

Kaushik Roy  
**Chief Financial Officer**  
Place: Dharwad

A B Koyari  
**Company Secretary**  
ACS: 15825  
Place: Pune  
Date : 05th May, 2021

**Tata Marcopolo Motors Limited**  
**Statement of Profit and Loss for the year ended March 31, 2021**

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31,	
		2021	2020
I. Revenue from operations	21	26,330.56	64,340.23
II. Other income	22	430.02	715.27
III. <b>Total income (I+II)</b>		<b>26,760.58</b>	<b>65,055.50</b>
IV. <b>Expenses:</b>			
(a) Cost of materials consumed		19,602.19	40,236.78
(b) Changes in inventories of finished goods and work-in-progress	23	(584.38)	719.96
(c) Employee benefits expense	24	7,657.33	8,260.32
(d) Finance costs	25	1,071.66	767.72
(e) Depreciation and amortisation expense	2, 3 & 4	2,003.84	2,074.65
(f) Other expenses	26	6,185.69	11,428.74
(g) Expenditure transferred to capital and other accounts		(146.93)	(537.10)
<b>Total expenses (IV)</b>		<b>35,789.40</b>	<b>62,951.07</b>
V. <b>(Loss) / Profit before tax (III-IV)</b>		<b>(9,028.82)</b>	2,104.43
VI. <b>Tax expense :</b>		<b>(3.74)</b>	41.00
(a) Current tax		-	-
(b) Deferred tax		(3.74)	41.00
VII. <b>(Loss) / Profit for the year (V-VI)</b>		<b>(9,025.08)</b>	2,063.43
VIII. <b>Other comprehensive income:</b>			
(i) Items that will not be reclassified to profit and loss:			
Remeasurement gains on defined benefit obligations (net)		14.88	(258.10)
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss		(3.74)	41.00
<b>Other comprehensive income</b>		<b>11.14</b>	<b>(217.10)</b>
IX. <b>Total comprehensive income / (loss) for the year (VII+VIII)</b>		<b>(9,013.94)</b>	1,846.33
X. <b>Earnings per equity share (face value of ₹ 10 per share):</b>			
Weighted average number of equity shares		17,00,00,000	17,00,00,000
<b>(Loss) / Earnings per equity share</b>			
(i) Basic		(5.31)	1.21
(ii) Diluted		(5.31)	1.21

See accompanying notes forming part of the Financial Statements

In terms of our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors  
**Tata Marcopolo Motors Limited**  
CIN : U34101MH2006PLC164771

**Swapnil Dakshindas**  
Partner  
Membership Number: 113896  
Place: Pune  
Date : 05th May, 2021  
UDIN : 21113896AAAACU2216

Girish Arun Wagh  
**Chairman**  
DIN: 03119361  
Place: Pune

Asim Kumar Mukhopadhyay  
**Director**  
DIN: 06520288  
Place: Thane

Andre Vidal Armaganijan  
DIN: 08037960  
**Director**  
Place: Brazil

Laxmiprasad Jahagirdar  
**Manager & Chief Executive Officer**  
Place: Dharwad

Kaushik Roy  
**Chief Financial Officer**  
Place: Dharwad

A B Koyari  
**Company Secretary**  
ACS: 15825  
Place: Pune  
Date : 05th May, 2021

**Tata Marcopolo Motors Limited**  
**Cash Flow Statement for the year ended March 31, 2021**

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flows from operating activities:</b>		
(Loss) / Profit before tax	(9,028.82)	2,104.43
Adjustments for:		
Depreciation and amortisation expense	2,003.84	2,074.65
Loss on deletion of assets	8.40	10.83
Liabilities no longer required written back	(133.54)	-
Finance costs	1,025.78	767.72
Income from State Ind. Promotion Subsidy / Incentive	(203.81)	(485.05)
Remeasurement of State Ind. Promotion Subsidy / Incentive	45.88	-
Interest income	(66.05)	(230.22)
<b>Cash flows from / (used in) operating activities before changes in working capital</b>	<b>(6,348.32)</b>	<b>4,242.36</b>
Decrease in Inventories	195.16	456.60
(Increase) / Decrease in Trade receivables	4,534.71	(1,783.19)
(Increase) / Decrease in Loans and advances	(17.81)	(3.24)
Increase in Other current assets	(440.76)	(437.25)
Decrease in Other Non current assets	733.33	61.39
Increase / (Decrease) in Trade payables and acceptances	2,288.71	(470.11)
Increase / (Decrease) in Other financial liabilities	(43.56)	77.24
Increase / (Decrease) in Provisions	67.45	(65.17)
Increase / (Decrease) in Other current liabilities	466.80	(13.39)
<b>Cash generated from operations</b>	<b>1,435.71</b>	<b>2,065.24</b>
Income tax refund / (paid) (net)	231.02	25.98
<b>Net cash generated from operating activities</b>	<b>1,666.73</b>	<b>2,091.22</b>
<b>Cash flows from investing activities:</b>		
Inter-corporate deposits given	(6,525.00)	(32,200.00)
Inter-corporate deposits repaid	7,675.00	31,050.00
Interest received	66.05	145.84
Payments for property, plant and equipment (including capital work-in-progress)	(1,187.03)	(2,808.12)
Payments for Intangible assets	(150.90)	(268.95)
<b>Net cash used in investing activities</b>	<b>(121.88)</b>	<b>(4,081.23)</b>
<b>Cash flows from financing activities:</b>		
Interest paid	(877.33)	(710.42)
Repayment of Interest portion of lease liability	(100.75)	(121.80)
(Repayments of) / Proceeds from current borrowings (net)	(4,775.56)	5,072.55
Inter-corporate deposits received (net)	3,000.00	-
Repayment of Principal portion of lease liability	(268.05)	(349.70)
Proceeds / (Repayments of) from non-current borrowings (net)	1,589.73	(1,900.00)
<b>Net cash used in financing activities</b>	<b>(1,431.96)</b>	<b>1,990.63</b>
<b>Net increase in cash and cash equivalents</b>	<b>112.89</b>	<b>0.62</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1.36</b>	<b>0.74</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>114.25</b>	<b>1.36</b>

See accompanying notes forming part of the Financial Statements

In terms of our report of even date attached

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

**Chartered Accountants**

Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors

**Tata Marcopolo Motors Limited**

CIN : U34101MH2006PLC164771

**Swapnil Dakshindas**

*Partner*

Membership Number: 113896

Place: Pune

Date : 05th May, 2021

UDIN : 21113896AAAACU2216

Girish Arun Wagh

**Chairman**

DIN: 03119361

Place: Pune

Asim Kumar Mukhopadhyay

**Director**

DIN: 06520288

Place: Thane

Andre Vidal Armaganijan

DIN: 08037960

**Director**

Place: Brazil

Laxmiprasad Jahagirdar

**Manager & Chief Executive Officer**

Place: Dharwad

Kaushik Roy

**Chief Financial Officer**

Place: Dharwad

A B Koyari

**Company Secretary**

ACS: 15825

Place: Pune

Date : 05th May, 2021

**Tata Marcopolo Motors Limited**  
**Statement of Changes in Equity for the year ended March 31, 2021**

**A. Equity share capital**

(₹ in Lakhs)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
17,000.00	-	17,000.00

(₹ in Lakhs)

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
17,000.00	-	17,000.00

**B. Other equity**

(₹ in Lakhs)

	Reserves and surplus	Other comprehensive income / (loss)	Total comprehensive income/ (loss)
	Retained earnings	Remeasurement (losses) and gains on defined benefit obligations (net)	
Balance as at April 1, 2019 (A)	(4,595.48)	(143.12)	(4,738.60)
Profit for the year (net of tax)	2,063.43	-	2,063.43
Other comprehensive income / (loss) for the year	-	(217.10)	(217.10)
Total comprehensive income / (loss) for the year (B)	2,063.43	(217.10)	1,846.33
Balance as at March 31, 2020 (A+B)	(2,532.05)	(360.22)	(2,892.27)
<b>Balance as at April 1, 2020 (C)</b>	<b>(2,532.05)</b>	<b>(360.22)</b>	<b>(2,892.27)</b>
<b>Loss for the period (net of tax)</b>	<b>(9,025.08)</b>	<b>0.00</b>	<b>(9,025.08)</b>
<b>Other comprehensive income / (loss) for the year</b>	<b>-</b>	<b>11.14</b>	<b>11.14</b>
<b>Total comprehensive income / (loss) for the year (D)</b>	<b>(9,025.08)</b>	<b>11.14</b>	<b>(9,013.94)</b>
<b>Balance as at March 31, 2021 (C+D)</b>	<b>(11,557.13)</b>	<b>(349.08)</b>	<b>(11,906.21)</b>

See accompanying notes forming part of the Financial Statements

In terms of our report of even date attached

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

Chartered Accountants

Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors

**Tata Marcopolo Motors Limited**

CIN : U34101MH2006PLC164771

**Swapnil Dakshindas**

Partner

Membership Number: 113896

Place: Pune

Date : 05th May, 2021

UDIN : 21113896AAAACU2216

Girish Arun Wagh

**Chairman**

DIN: 03119361

Place: Pune

Asim Kumar Mukhopadhyay

**Director**

DIN: 06520288

Place: Thane

Andre Vidal Armaganijan

**Director**

DIN: 08037960

Place: Brazil

Laxmiprasad Jahagirdar  
**Manager & Chief Executive Officer**  
 Place: Dharwad

Kaushik Roy  
**Chief Financial Officer**  
 Place: Dharwad

A B Koyari  
**Company Secretary**  
 ACS: 15825  
 Place: Pune  
 Date : 05th May, 2021

Notes to Financial Statements for the year ended March 31, 2021

**Background and Operations**

Tata Marcopolo Motors Limited is a joint venture Company of Tata Motors Limited and Marcopolo S.A. Brazil, Tata Motors Limited holds 51% and Marcopolo S.A. 49% of Share capital.

The Company manufactures bus bodies and spare parts. The bus bodies are built on the chassis received mainly from Tata Motors Limited. The bus body built on the chassis are sold mainly to Tata Motors Limited as fully built motor vehicle.

Tata Marcopolo Motors Limited is a public limited company incorporated and domiciled in India and has its registered office at 24 Homi Mody street, Mumbai, Maharashtra, India.

The financials statements for the period ended March 31, 2021 were approved by the Board of Directors and authorised for issue on May 05th, 2021.

**1 Significant accounting policies**

**a. Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

**b. Basis of preparation and presentation**

These financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements are presented in Indian Rupees(INR) and all values are rounded to the nearest lakhs (INR 00,000) except when otherwise indicated.

**Going concern assumption**

These financial statements have been prepared on a going concern basis. The management has given the significant uncertainties arising out of the outbreak of COVID 19, as explained in note 1(d), assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of these financial statements. Based on this evaluation, Management believes that the Company will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these financial statements based on the following:

- i) Expected future operating cash flows based on business projections, and
- ii) Available undrawn credit facilities with its Holding Company of INR 7,000 lakhs; and
- iii) Available undrawn credit facilities with its bankers of INR 4,000 lakhs and financial institution of INR 7,500 lakhs

Based on the above factors, Management has concluded that the "going concern" assumption is appropriate. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

**c. Use of estimates and judgments**

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

Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

**Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting year. This reassessment may result in change in depreciation / amortisation expense in future years.

**Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting year.

**Provisions and contingent liabilities**

A provision is recognized where the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements.



## Notes to Financial Statements for the year ended March 31, 2021 (continued)

## Significant accounting policies continued

**d. Estimation of uncertainties relating to the global health pandemic from COVID-19 :**

The World Health Organisation in February 2020 declared COVID 19 as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing lockdowns and restrictions in activities. As a result of the pandemic, the revenue from the financial year 2020-21 has been impacted. The Company is monitoring the situation closely taking into account directives from the Government.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of the financial statements including the assessment of liquidity and going concern, recoverable values of its property, plant and equipment and intangible assets and the net realizable values of other assets. However, given the effect of the Covid 19 pandemic on the overall economic activity in India and in particular on the automotive industry and the Company's customers, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

**e. Functional currency and Presentation currency**

The functional currency of the Company is Indian Rupee. Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

**f. Government grants and incentives**

Government grants are recognised when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. These are recorded at fair value where applicable.

Government grants are recognised in the statement of profit and loss, on a systematic basis either when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred.

Government grants related to assets are shown as deferred revenue and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the year in which the grant is received.

**g. Provisions and conting**

A provision is recognised if, as a result of a past event, the Company has a legal or constructive obligation that can be estimated reliably, and it is probable that cash out flows will be required to settle the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it.

**i) Product warranty expenses**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically one to two years.

ii) Differences relating to long-term foreign currency borrowings taken for the acquisition of depreciable capital asset are adjusted in the carrying cost of Fixed Assets.

**h. Income taxes**

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside Statement of Profit and Loss.

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for an interim reporting period by management's best estimate of the annual income tax rate expected for the financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the condensed interim financial statements may defer from management's estimate of the effective tax rate for the annual financial statements.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Notes to Financial Statements for the year ended March 31, 2021 (continued)

**i. Revenue recognition**

The Company is engaged in the business of manufacture of Motor Vehicle and Trailers (including job work). The Company recognises revenues on the sale of products, net of discounts when the products are delivered to the customer, which is when risks and rewards of ownership pass to the customer and no significant uncertainty as to measurability or collectability exists. The Company recognises revenues on sale of services upon completion of jobs executed for the customer at contracted rates. Sale of products and services is presented net of indirect taxes. Revenues are recognised when collectability of the resulting receivables is reasonably assured. The Company recognises interest income from a financial asset when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest Income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

**j. Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition or construction less depreciation. All cost relating to the acquisition and installation of Property, plant and equipment are capitalised and include financing cost relating to borrowed funds attributable to construction or acquisition of fixed assets, upto the date the asset is ready for intended use and further adjusted for exchange differences relating to long-term foreign currency borrowings, where applicable, attributable to depreciable capital asset.

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

<u>Type of Asset</u>	<u>Estimated useful life</u>
Buildings	28 years
Plant, machinery and eq	20 years
Computers and other IT :	6 years
Vehicles	4 years
Furniture and fixtures	15 years
Office equipment	5 years
Water system and sanita	20 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

**k. Intangible assets**

The product development cost incurred on new products will be recognised as an intangible asset, when feasibility has been established, the company has committed technical, financial and other resources to complete the development, and it is probable that asset will generate probable future benefits.

Product development costs are amortised over Straight Line Method(SLM) over a year of 36 months to 120 months.

An Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

**l. Impairment of tangible and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

**m. Inventories**

Inventories are valued at lower of cost or net realisable value.

Cost of raw materials and consumables are ascertained on a moving weighted average basis. Costs, including variable and fixed overheads, are allocated to work-in-progress and finished goods determined on full absorption cost basis.

Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

**n Impairment of financial assets held at amortised cost**

Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

**Significant accounting policies cont.**

**o. Financial instruments**

**Classification, initial recognition and measurement**

**Financial assets held at amortised cost**

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

These include trade receivables, balances with banks, short-term deposits with banks and other financial assets with fixed or determinable payments.

**Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**Derecognition of financial assets and financial liabilities**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

**p. Employee benefits**

**1) Defined benefit plans**

**i) Gratuity**

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

**ii) Bhavishya Kalyan Yojana (BKY)**

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of the Company. The benefits of the plan include pension in certain cases, payable up to the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company account for the liability for BKY benefits payable in the future based on an independent actuarial valuation.

**iii) Remeasurement gains and losses**

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognised directly in other comprehensive income in the year in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to Statement of Profit and Loss.

**iv) Provident fund**

In accordance with Indian law, eligible employees of Tata Marcopolo Motors Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by Tata Motors Limited and pension fund which is maintained with the Office of Regional Provident Fund Commissioner. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation.

Given the prescribed investment pattern, most investment of provident fund' have historically been in debt securities, which were giving secure returns. However, during the year ended March 31, 2021, with a ratings downgrade and potential bond default of some of the biggest companies, the total liability principal and interest guarantee has been actuarially valued as a defined benefit.

**v) Measurement date**

The measurement date of retirement plans is March 31.

**2) Other long - term employee benefits**

**i) Post-retirement Medicare scheme**

Under this unfunded scheme, employees of the Company receive medical benefits subject to certain limits on amounts of benefits, years after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company account for the liability for post-retirement medical scheme based on an independent actuarial valuation.

**ii) Compensated Absences**

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial Valuation is carried out using the projected unit credit method (PUCM) and the actuarial gain/(loss) on such valuation is accounted in the Statement of Profit and Loss.

**q. Earnings per share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

**Tata Marcopolo Motors Limited**  
**Notes to Financial Statements for the year ended March 31, 2021 (continued)**

**r. Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial year of time to get ready for its intended use. All other borrowing costs are recognised as expenses in the year in which they are incurred.

**s. Cash & cash equivalents**

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**t. Right-of-use assets**

The Company determines that a contract is or contains a lease, if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration. At the inception of a contract which is or contains a lease, the Company recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature, except for lease of low value items. The future lease payments for such non-cancellable period is discounted using the Company's incremental borrowing rate. Lease payments include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option, if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term considered reflects that the Company shall exercise termination option. The Company also recognises a right of use asset, which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs.

Right of use assets is amortised over the period of lease.

**u. Standards issued but not yet effective**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet**

- i. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- ii. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- iii. Specified format for disclosure of shareholding of promoters.
- iv. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- v. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- vi. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Tata Marcopolo Motors Limited**  
Notes forming part of the financial statements for the year ended March 31, 2021 (continued)

**2 Property, plant and equipment**

(₹ in Lakhs)

Property, plant and equipment	Owned assets							Taken on finance lease	Total
	Buildings	Plant and equipments	Water system and sanitations	Office equipments	Furniture and fixtures	Vehicles	Computers	Plant and equipments	
Cost as at April 1, 2019	15,134.79	16,097.30	35.09	39.21	199.13	30.52	896.77	218.99	32,651.80
Additions	262.40	1,963.64	-	-	11.39	-	93.27	-	2,330.70
Deletions	-	63.38	-	-	-	-	-	218.99	282.37
Cost as at March 31, 2020	15,397.19	17,997.56	35.09	39.21	210.52	30.52	990.04	-	34,700.13
Accumulated depreciation as at April 1, 2019	3,971.01	12,071.31	5.34	32.50	113.01	29.00	698.04	218.99	17,139.20
Depreciation for the year	473.22	853.65	1.67	2.88	12.80	-	49.03	-	1,393.25
Deletions	-	52.55	-	-	-	-	-	218.99	271.54
Accumulated depreciation as at March 31, 2020	4,444.23	12,872.41	7.01	35.38	125.81	29.00	747.07	-	18,260.91
Net carrying amount as at March 31, 2020	10,952.96	5,125.15	28.08	3.83	84.71	1.52	242.97	-	16,439.22
<b>Cost as at April 1, 2020</b>	<b>15,397.19</b>	<b>17,997.56</b>	<b>35.09</b>	<b>39.21</b>	<b>210.52</b>	<b>30.52</b>	<b>990.04</b>	-	<b>34,700.13</b>
<b>Additions</b>	<b>16.36</b>	<b>714.72</b>	-	-	-	-	<b>4.81</b>	-	<b>735.89</b>
<b>Deletions</b>	-	<b>175.23</b>	-	-	-	-	-	-	<b>175.23</b>
<b>Cost as at March 31, 2021</b>	<b>15,413.55</b>	<b>18,537.05</b>	<b>35.09</b>	<b>39.21</b>	<b>210.52</b>	<b>30.52</b>	<b>994.85</b>	-	<b>35,260.79</b>
<b>Accumulated depreciation as at April 1, 2020</b>	<b>4,444.23</b>	<b>12,872.41</b>	<b>7.01</b>	<b>35.38</b>	<b>125.81</b>	<b>29.00</b>	<b>747.07</b>	-	<b>18,260.91</b>
<b>Depreciation for the year</b>	<b>478.61</b>	<b>902.53</b>	<b>1.67</b>	<b>0.81</b>	<b>12.80</b>	-	<b>65.22</b>	-	<b>1,461.64</b>
<b>Deletions</b>	-	<b>166.84</b>	-	-	-	-	-	-	<b>166.84</b>
<b>Accumulated depreciation as at March 31, 2021</b>	<b>4,922.84</b>	<b>13,608.10</b>	<b>8.68</b>	<b>36.19</b>	<b>138.61</b>	<b>29.00</b>	<b>812.29</b>	-	<b>19,555.71</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>10,490.71</b>	<b>4,928.95</b>	<b>26.41</b>	<b>3.02</b>	<b>71.91</b>	<b>1.52</b>	<b>182.56</b>	-	<b>15,705.08</b>

**Tata Marcopolo Motors Limited**  
Notes forming part of the financial statements for the year ended March 31, 2021 (continued)

**3 Right-of-use assets**

(₹ in Lakhs)

Particulars	Land	Buildings	Plant and equipments	Tools with vendors	Total
Cost as at April 1, 2019	-	-	-	-	-
Additions	915.43	309.65	423.80	245.89	1,894.77
Deletions	-	-	-	26.59	26.59
Cost as at March 31, 2020	915.43	309.65	423.80	219.30	1,868.18
Accumulated amortisation as at April 1, 2019	-	-	-	-	-
Amortisation for the year	125.20	90.63	106.27	55.93	378.03
Deletions	-	-	-	7.04	7.04
Accumulated amortisation as at March 31, 2020	125.20	90.63	106.27	48.89	370.99
Net carrying amount as at March 31, 2020	790.23	219.02	317.53	170.41	1,497.19
<b>Cost as at April 1, 2020</b>	<b>915.43</b>	<b>309.65</b>	<b>423.80</b>	<b>219.30</b>	<b>1,868.18</b>
<b>Additions</b>	-	-	49.64	-	49.64
<b>Deletions</b>	-	-	-	5.25	5.25
<b>Cost as at March 31, 2021</b>	<b>915.43</b>	<b>309.65</b>	<b>473.44</b>	<b>214.05</b>	<b>1,912.57</b>
<b>Accumulated amortisation as at April 1, 2020</b>	<b>125.20</b>	<b>90.63</b>	<b>106.27</b>	<b>48.89</b>	<b>370.99</b>
<b>Amortisation for the year</b>	<b>125.20</b>	<b>90.63</b>	<b>111.39</b>	<b>10.91</b>	<b>338.13</b>
<b>Deletions</b>	-	-	-	5.78	5.78
<b>Accumulated amortisation as at March 31, 2021</b>	<b>250.40</b>	<b>181.26</b>	<b>217.66</b>	<b>54.02</b>	<b>703.34</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>665.03</b>	<b>128.39</b>	<b>255.78</b>	<b>160.03</b>	<b>1,209.23</b>

Tata Marcopolo Motors Limited

Notes forming part of the financial statements for the year ended March 31, 2021 (continued)

4 Intangible assets

(₹ in Lakhs)

Intangible assets	Computer software	Product development cost	Total
Cost as at April 1, 2019	1,173.23	5,591.74	6,764.97
Additions	3.20	617.45	620.65
Cost as at March 31, 2020	1,176.43	6,209.19	7,385.62
Accumulated amortisation as at April 1, 2019	1,110.68	5,272.69	6,383.37
Amortisation for the year	22.05	281.32	303.37
Accumulated amortisation as at March 31, 2020	1,132.73	5,554.01	6,686.74
Net carrying amount as at March 31, 2020	43.70	655.18	698.88
<b>Cost as at April 1, 2020</b>	<b>1,176.43</b>	<b>6,209.19</b>	<b>7,385.62</b>
<b>Additions</b>	<b>29.43</b>	<b>-</b>	<b>29.43</b>
<b>Cost as at March 31, 2021</b>	<b>1,205.86</b>	<b>6,209.19</b>	<b>7,415.05</b>
<b>Accumulated amortisation as at April 1, 2020</b>	<b>1,132.73</b>	<b>5,554.01</b>	<b>6,686.74</b>
<b>Amortisation for the year</b>	<b>22.26</b>	<b>181.81</b>	<b>204.07</b>
<b>Accumulated amortisation as at March 31, 2021</b>	<b>1,154.99</b>	<b>5,735.82</b>	<b>6,890.81</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>50.87</b>	<b>473.37</b>	<b>524.24</b>

Tata Marcopolo Motors Limited  
Notes forming part of the financial statements for the year ended March 31, 2020 (continued)

(₹ in Lakhs)		
5 Other financial assets	As at March 31,	As at March 31,
	2021	2020
<b>Non-current:</b>		
(a) Security deposit	92.42	92.42
(b) Sales tax incentive	1,346.21	1,729.56
<b>Total</b>	<b>1,438.63</b>	<b>1,821.98</b>
<b>Current</b>		
(a) Interest accrued - others	0.08	0.08
<b>Total</b>	<b>0.08</b>	<b>0.08</b>

(₹ in Lakhs)		
6 Advance income tax assets (net)	As at March 31,	As at March 31,
	2021	2020
<b>Non current tax assets:</b>		
(a) Advance income tax (net)	548.90	779.92
<b>Total</b>	<b>548.90</b>	<b>779.92</b>

(₹ in Lakhs)		
7 Deferred tax assets (net)	As at March 31,	As at March 31,
	2021	2020
<b>(a) Liabilities:</b>		
Depreciation and amortisation	(1,509.31)	(1,882.45)
Product development cost	(201.05)	(164.07)
<b>Total deferred tax liabilities</b>	<b>(1,710.36)</b>	<b>(2,046.52)</b>
<b>(b) Assets:</b>		
Employee benefits expense	67.54	76.56
Unabsorbed depreciation and business loss	1,321.35	1,580.81
Lease liability	321.47	389.15
<b>Total deferred tax assets</b>	<b>1,710.36</b>	<b>2,046.52</b>
<b>Deferred tax assets (net)</b>	<b>-</b>	<b>-</b>

(₹ in Lakhs)			
i) Income taxes	For the year ended		
		2021	2020
(a) Current tax expense		-	-
i. For the year		-	-
ii. Relating to a prior year		-	-
(b) Deferred tax		(3.74)	41.00
<b>Total</b>		<b>(3.74)</b>	<b>41.00</b>

(₹ in Lakhs)			
ii) Reconciliation of estimated income tax to income tax expense	For the year ended		
		2021	2020
Profit before tax		(9,028.82)	2,104.43
Income tax expense at tax rates applicable to the entity		(2,272.37)	529.64
<b>Items (net) not deductible for tax/not liable to tax</b>			
Set off of brought forward loss/depreciation net of OCI charge		2,293.66	(810.00)
Others		(25.03)	321.36
MSPED interest		(8.20)	(10.94)
Penalty & TDS		0.01	0.03
CSR expenditure		8.27	7.15
ICDS Adjustment - borrowing cost		0.09	0.08
Opening balance changes		(25.20)	325.04
<b>Income tax expense reported in statement of Profit and Loss</b>		<b>(3.74)</b>	<b>41.00</b>

iii) Significant components of deferred tax assets and liabilities for the year ended 31st Mar'21 and 31st Mar'20					
	Opening Balance as at	Reclassified during the	Recognised in Profit or	Recognised in other	Closing Balance as at
	April 1, 2020	year	Loss	comprehensive income	31st March, 2021
Depreciation and amortisation	(1,882.45)	-	373.14	-	(1,509.31)
Product development expenses	(164.07)	-	(36.98)	-	(201.05)
Depreciation carried forward	1,580.81	-	(259.46)	-	1,321.35
Employee benefits expense	76.56	-	(5.28)	(3.74)	67.54
Lease liability	389.15	-	(67.68)	-	321.47
<b>Net assets/(liabilities)</b>	<b>-</b>	<b>-</b>	<b>3.74</b>	<b>(3.74)</b>	<b>-</b>
	Opening Balance as at	Reclassified during the	Recognised in Profit or	Recognised in other	Closing Balance as at
	April 1, 2019	year	Loss	comprehensive income	31st March, 2020
Depreciation and amortisation	(1,952.33)	-	69.88	-	(1,882.45)
Product development expenses	(350.70)	-	186.63	-	(164.07)
Depreciation carried forward	2,199.92	-	(619.11)	-	1,580.81
Employee benefits expense	103.11	-	(67.55)	41.00	76.56
Lease liability	-	-	389.15	-	389.15
<b>Net assets/(liabilities)</b>	<b>0.00</b>	<b>-</b>	<b>(41.00)</b>	<b>41.00</b>	<b>-</b>



**Tata Marcopolo Motors Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021 (continued)**

	(₹ in Lakhs)	
iv) Unrecognized deductible temporary differences, unused tax losses and unused tax credits	As at March 31,	As at March 31,
	2021	2020
(a) Unabsorbed depreciation	2,575.18	281.97
<b>Total</b>	<b>2,575.18</b>	<b>281.97</b>

**Note :**

The Company has unabsorbed depreciation of INR 8,000 Lakhs (March 31, 2020: INR 6,293 Lakhs) and unabsorbed losses of INR 7,481 Lakhs (March 31, 2020: Nil)

	(₹ in Lakhs)	
8 Other non-current assets	As at March 31,	As at March 31,
	2021	2020
(a) Capital advances	891.41	735.55
(b) Deposits (paid under protest)	123.17	139.37
(c) Prepaid expenses	2.33	4.67
<b>Total</b>	<b>1,016.91</b>	<b>879.59</b>

	(₹ in Lakhs)	
9 Inventories (at lower of cost and net realisable value)	As at March 31,	As at March 31,
	2021	2020
(a) Raw materials	2,779.55	3,527.68
(b) Work-in-progress	1,101.27	526.27
(c) Finished goods	22.60	13.22
(d) Stores and spare parts	403.26	428.14
(e) Consumable tools	32.88	34.63
(f) Goods-in-transit - Raw materials	0.53	5.31
<b>Total</b>	<b>4,340.09</b>	<b>4,535.25</b>

**Note:**

1 During the period ended March 31, 2021 and year ended March 31, 2020, the Company recorded inventory write-down expenses of Rs. 574.55 Lakhs and Rs. 361.03 Lakhs respectively.

	(₹ in Lakhs)	
10 Trade receivables	As at March 31,	As at March 31,
	2021	2020
<b>Trade receivables (unsecured) :</b>		
(a) Considered good	10,719.90	15,254.61
<b>Total</b>	<b>10,719.90</b>	<b>15,254.61</b>
<b>Note :</b>		
<b>Customer wise trade receivables</b>		
(a) Tata Motors Limited(TML)	10,643.78	15,253.75
(b) Others	76.12	0.86
<b>Total</b>	<b>10,719.90</b>	<b>15,254.61</b>

Tata Marcopolo Motors Limited

Notes forming part of the financial statements for the year ended March 31, 2021 (continued)

(₹ in Lakhs)

11 Cash and cash equivalents	As at March 31,	As at March 31,
	2021	2020
(a) Bank balances		
(i) in current accounts	113.85	0.95
(b) Cash on hand	0.40	0.41
<b>Total</b>	<b>114.25</b>	<b>1.36</b>

(₹ in Lakhs)

12 Loans	As at March 31,	As at March 31,
	2021	2020
<b>Current</b>		
<b>Unsecured, considered good:</b>		
(a) Loans to related parties:		
(i) Inter corporate deposits to Holding company	-	1,150.00
(b) Advances to employees and others	33.95	16.14
<b>Total</b>	<b>33.95</b>	<b>1,166.14</b>

**Note:**

1 Inter-corporate deposits to holding company are unsecured bearing interest rate at 6%

(₹ in Lakhs)

13 Other current assets	As at March 31,	As at March 31,
	2021	2020
(a) Advances to suppliers and contractors	405.25	35.97
(b) Other taxes recoverable, statutory deposits and dues from government	824.38	786.69
(c) Prepaid expenses	160.40	148.98
(d) Others	22.37	-
<b>Total</b>	<b>1,412.40</b>	<b>971.64</b>

**Tata Marcopolo Motors Limited**  
Notes forming part of the financial statements for the year ended March 31, 2021 (continued)

(₹ in Lakhs)

14 Equity share capital	As at March 31,	As at March 31,
	2021	2020
<b>Authorised:</b>		
(i) 17,00,00,000 Equity shares of ₹10 each (as at March 31, 2020: 17,00,00,000 Equity shares of ₹10 each)	17,000.00	17,000.00
<b>Issued, subscribed and fully paid share capital</b>		
(i) 17,00,00,000 Equity shares of ₹10 each (as at March 31, 2020: 17,00,00,000 Equity shares of ₹10 each)	17,000.00	17,000.00

**Notes**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the period:	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity Shares of ₹ 10/- each fully paid Balance as at the beginning of the period	17,00,00,000	17,000.00	17,00,00,000	17,000.00
<b>Balance as at the end of the period</b>	<b>17,00,00,000</b>	<b>17,000.00</b>	17,00,00,000	17,000.00

(ii) Number of shares held by each shareholder holding more than 5 percent of the issued share capital :	As at March 31, 2021		As at March 31, 2020	
	% of Issued share	No. of shares	% of Issued share	No. of shares
<b>Equity Shares of ₹ 10/- each fully paid</b>				
a) Tata Motors Limited (Holding company)	51.00	8,67,00,000	51.00	8,67,00,000
b) Marcopolo S. A., Brazil (Non-resident shareholder)	49.00	8,33,00,000	49.00	8,33,00,000
<b>Total</b>	<b>100.00</b>	<b>17,00,00,000</b>	100.00	17,00,00,000

**(iii) Details of the rights, preferences and restrictions attached to each class of shares**

- a) The Company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. Distribution will be in proportion of equity shares held by the shareholders.

**Tata Marcopolo Motors Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021 (continued)**

(₹ in Lakhs)

15 Borrowings	As at March 31,	As at March 31,
	2021	2020
<b>Non current:</b>		
<b>Secured - at amortised cost</b>		
(a) Term loan [refer note(i) below]	1,875.00	650.00
(b) Karnataka VAT loan [refer note (ii) below]	1,971.51	1,798.00
<b>Total</b>	<b>3,846.51</b>	<b>2,448.00</b>
<b>Current:</b>		
<b>Secured - at amortised cost</b>		
Loans repayable on demand from banks		
(a) Cash credit account [refer note (iii) below]	-	1,579.73
<b>Unsecured - at amortised cost</b>		
(a) Bills discounting facility from HDFC Bank	8,757.54	13,652.44
(b) Bills discounting facility from RXIL [refer note (iv) below]	1,699.46	-
(c) Loans and advances from related parties:		
(i) Inter-corporate deposits from Holding company [refer note (v) below]	3,000.00	-
<b>Total</b>	<b>13,457.00</b>	<b>15,232.17</b>

**Notes to Non-current Borrowings**

<p>(i) <b>Details of security provided in respect of secured long term borrowings:</b>            Term loan from HDFC bank amounting to Rs. 2,500 lakhs is repayable in 28 equal quarterly instalments over a period of 7 years. The loan is at an interest rate of HDFC Bank's six month marginal cost of funds based lending rate (MCLR) plus 80 bps. The term loan is secured by pari passu first charge on fixed assets.</p> <p>(ii) <b>Details of terms of repayment for Karnataka VAT loan:</b>            Based on the Incentive scheme 2008, declared by the Government of Karnataka, the government in January 2011, disbursed an adhoc amount of Rs. 1,798 Lakhs as soft loan towards Value Added Tax (VAT) paid by the Company, from October 2008 to August 2010. The said loan was disbursed as the Company, in compliance with the requirements of the incentive scheme, had set up a manufacturing facility and generated employment at Belur industrial area, Dharwad, in the state of Karnataka. The said loan is for a period of 18 years from the date of starting production with a moratorium of 10 years.            Further the Government of Karnataka, vide an order dated June 5, 2012 (Government Order 2012), amended the existing incentive scheme 2008 with a revised incentive scheme 2012. As per the revised incentive scheme the Company, on compliance of certain conditions, would be eligible for a soft loan on gross VAT at 0.1% rate of interest in lump sum and terms of repayment of the soft loan have been revised. The Company is eligible for 100% of the eligible Gross VAT as soft loan for 18 years to be repaid with a moratorium period of 15 years for each instalment. The Company had submitted its claim under the new scheme from the date of commencement of commercial production till June 4, 2012.            On March 24, 2014, Government notified the procedures and formats for incentive application and informed to re-submit the claims from inception. In line with the notified procedures and formats, the Company has got its books assessed by the Local VAT officer (LVO) and re-submitted its claim for the period October 2008 to May 2012 to the Joint Director, Department of Industries and Commerce, District Industrial Centre. Further, the Company has also got its books assessed by the LVO for the period June 2012 to December 2013 and the claim has been re-submitted by Tata Motors Limited with reference to the Government Order 2012. The Company has also got its books assessed by the LVO for the period January 2014 to June 2017 and claim has been submitted by Tata Motors Limited. The Government has made amendment to order dated June 5, 2012 vide corrigendum no. CI 50 CPI 2019 dated 2 December 2019 to claim incentive separately by the Company and Tata Motors Limited. The Company has submitted its Claim for July 2017 to March 2019 to the Government. The claims submitted by the Company are under process by the Government of Karnataka.            The company has further received an adhoc amount of ₹. 7.14 Cr on 29th March 2021.            The VAT loan is secured by a guarantee of an equal amount.</p> <p>(iii) <b>Details of security for cash credit:</b>            The cash credit facility is secured by hypothecation of book debts, inventories and stores and spares, both present and future.</p> <p>(iv) The bill discounting facility with RXIL is unsecured and interest rate varies from 6.5% to 9%.</p> <p>(v) Inter-corporate deposits from holding company are unsecured bearing interest rate at 7.5%.</p>
---

(₹ in Lakhs)

16 Lease liabilities	As at March 31,	As at March 31,
	2021	2020
<b>Secured - at amortised cost:</b>		
<b>Non current</b>		
(a) Long term maturities of lease liabilities	948.20	1,197.57
<b>Total</b>	<b>948.20</b>	<b>1,197.57</b>
<b>Current</b>		
(a) Current maturities of lease liabilities	309.27	327.95
<b>Total</b>	<b>309.27</b>	<b>327.95</b>

**Tata Marcopolo Motors Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021 (continued)**

(₹ in Lakhs)		
17 Trade payables	As at March 31, 2021	As at March 31, 2020
(a) Other than acceptances		
i) Total outstanding dues of micro enterprises and small enterprises	1,898.44	823.19
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,437.38	8,303.77
	<b>6,335.82</b>	<b>9,126.96</b>

(₹ in Lakhs)		
18 Other financial liabilities	As at March 31, 2021	As at March 31, 2020
<b>Current:</b>		
(a) Current maturities of long-term borrowings	1,264.73	900.00
(b) Interest accrued but not due on borrowings	69.36	18.25
(c) Liability for capital expenditure	174.38	333.85
(d) Deposits and retention money	61.63	105.19
(e) Interest payable	67.44	70.71
<b>Total</b>	<b>1,637.54</b>	<b>1,428.00</b>

(₹ in Lakhs)		
19 Provisions	As at March 31, 2021	As at March 31, 2020
<b>Non-current:</b>		
(a) Provision for employee benefits		
(i) Provision for compensated absences	199.68	229.98
(ii) Provision for post retirement medicare scheme	178.48	158.65
(iii) Provision for Bhavishya Kalyan Yojana	366.59	327.79
<b>Total</b>	<b>744.75</b>	<b>716.42</b>
<b>Current:</b>		
(a) Provision for employee benefits		
(i) Provision for compensated absences	13.46	18.97
(ii) Provision for Bhavishya Kalyan Yojana	9.41	7.23
(b) Provision for product warranty (refer note below)	179.54	151.97
<b>Total</b>	<b>202.41</b>	<b>178.17</b>

**Note: Movement of provision for product warranty**

(₹ in Lakhs)		
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	151.97	112.60
Provision made during the year	42.87	103.46
Provision used during the year	(15.30)	(64.09)
<b>Balance at the end of the year:</b>	<b>179.54</b>	<b>151.97</b>
Current	<b>179.54</b>	<b>151.97</b>

(₹ in Lakhs)		
20 Other current liabilities	As at March 31, 2021	As at March 31, 2020
(a) Advances received from customers	523.41	25.62
(b) Statutory dues	118.40	154.79
(c) Employee benefits obligations	163.14	106.02
(d) Liabilities for retro fit expenses	1.78	53.50
<b>Total</b>	<b>806.73</b>	<b>339.93</b>

Tata Marcopolo Motors Limited

Notes forming part of the financial statements for the year ended March 31, 2021 (continued)

(₹ in Lakhs)

21 Revenue from operations	Year ended March 31,	
	2021	2020
(a) Sale of products (Net of Incentives to dealers)	24,984.79	54,758.71
(b) Sale of services	185.31	7,494.17
(c) Sale of spare parts	764.16	1,623.17
(d) Other operating revenues		
i) Sale of scrap	380.63	390.20
ii) Other	15.67	73.98
<b>Total</b>	<b>26,330.56</b>	<b>64,340.23</b>
<b>Note:</b>		
<b>Information about major customers</b>		
<b>Sale of products (Net of Incentives to dealers)</b>		
(a) Tata Motors Limited(TML)	24,252.14	51,357.41
(b) Others	732.65	3,401.30
<b>Total</b>	<b>24,984.79</b>	<b>54,758.71</b>
<b>Sale of services</b>		
(a) Tata Motors Limited(TML)	185.31	4,438.97
(b) Others	-	3,055.20
<b>Total</b>	<b>185.31</b>	<b>7,494.17</b>
<b>Sale of spare parts</b>		
(a) Tata Motors Limited(TML)	557.20	1,582.60
(b) Others	206.96	40.57
<b>Total</b>	<b>764.16</b>	<b>1,623.17</b>

(₹ in Lakhs)

22 Other income	Year ended March 31,	
	2021	2020
(a) Interest income on security deposit	-	5.76
(b) Interest income on income tax refund	29.22	60.83
(c) Interest income on inter corporate deposit	36.45	54.63
(d) Income of State Ind. Promotion Subsidy / Incentive [refer note 15(b)(ii)]	203.81	594.05
(e) Liabilities no longer required written back	133.54	-
(f) Gain on exchange rate fluctuation (net)	26.62	-
(g) interest Income from others	0.38	-
<b>Total</b>	<b>430.02</b>	<b>715.27</b>

(₹ in Lakhs)

23 Changes in inventories of finished goods and work-in-progress	Year ended March 31,	
	2021	2020
<b>Inventories at the end of the year</b>		
Finished goods	22.60	13.22
Work-in-progress	1,101.27	526.27
	<b>1,123.87</b>	<b>539.49</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	13.22	9.54
Work-in-progress	526.27	1,249.91
	<b>539.49</b>	<b>1,259.45</b>
	<b>(584.38)</b>	<b>719.96</b>

Tata Marcopolo Motors Limited

Notes forming part of the financial statements for the year ended March 31, 2021 (continued)

(₹ in Lakhs)

24 Employee benefits expense	Year ended March 31,	
	2021	2020
(a) Salaries, wages and bonus	6,528.59	6,913.80
(b) Contribution to provident fund and other funds (refer note 33(a))	531.04	513.94
(c) Staff welfare expenses	597.70	832.58
<b>Total</b>	<b>7,657.33</b>	<b>8,260.32</b>

(₹ in Lakhs)

25 Finance costs	Year ended March 31,	
	2021	2020
(a) Interest expenses		
(i) On term loan	264.20	198.67
(ii) On lease liabilities	100.75	121.80
(iii) Others	521.20	(5.84)
	<b>886.15</b>	<b>314.63</b>
(b) Discounting charges	139.63	453.09
(c) Remeasurement of State Ind. Promotion Subsidy / Incentive [refer note 15(b)(ii)]	45.88	-
<b>Total</b>	<b>1,071.66</b>	<b>767.72</b>

(₹ in Lakhs)

26 Other expenses	Year ended March 31,	
	2021	2020
(a) Consumption of stores and spare parts	781.41	1,806.98
(b) Power and fuel	392.79	677.61
(c) Rent including short term lease rentals	8.60	10.50
(d) Repairs to buildings	19.39	46.22
(e) Repairs to plant, machinery etc.	11.65	35.96
(f) Insurance	171.60	94.84
(g) Rates and taxes	0.49	0.34
(h) Technical know how	326.20	1,022.57
(i) Contract labour charges	1,771.36	3,642.73
(j) Warranty and product liability (net)	49.83	103.53
(k) Auditors remuneration		
- Audit fees	26.40	26.40
- Tax audit fees	1.40	1.46
- Other services	2.27	4.77
- Out of pocket expenses	1.21	2.36
(l) Cost auditors remuneration		
- Cost audit fees	3.00	3.00
- Out of pocket expenses	-	0.05
(m) Freight, transportation, port charges, etc.	95.24	171.69
(n) Consulting engineers service fee	79.40	363.58
(o) Cost of deputed employees	651.37	785.20
(p) Travelling and conveyance	76.55	250.56
(q) Loss on exchange rate fluctuation (net)	-	(2.58)
(q) IT services	432.86	512.70
(r) Corporate social responsibility expenses	32.17	28.42
(s) Works operation and other expenses	1,250.50	1,839.85
<b>Total</b>	<b>6,185.69</b>	<b>11,428.74</b>

**Tata Marcopolo Motors Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021 (continued)**

**27 Commitments and contingencies**

a) Estimated amount of contracts remaining to be executed on capital account (tangible) and not provided for (net of advances) is ₹ **201.57 Lakhs** (March 31, 2020: ₹ 750.61 Lakhs).

b) Claims against the Company not acknowledged as debts:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Works contract tax on indirect materials	34.43	34.43
b) Sales tax on local/ interstate/ import of motor parts	279.17	277.27
c) Central Excise/ Service Tax	3,057.69	3,058.35
d) Bonus pertaining to retrospective period as per notification dated January 1, 2016	28.44	28.44
<b>Total</b>	<b>3,399.73</b>	<b>3,398.49</b>

c) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The Company has made a provision on a prospective basis, from the date of the SC order.

d) Future cash outflows in respect of above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities.

e) Non-fund based facilities availed of Letter of Credit, ₹ Nil (March 31, 2020: ₹ 112 lakhs) and Bank guarantees outstanding, ₹ **2,719.89 Lakhs** (March 31, 2020: ₹ 207.10 Lakhs) from banks are secured by a first charge by way of hypothecation of current assets including book debts and inventories, both present and future, in respect of cash credit.

**28 Corporate Social Responsibility**

Gross amount required to be spent by the company as per section 135 of the Act, during the year ₹ 31.52 Lakhs (March 31, 2020 ₹ 26.92 lakhs)

(₹ in Lakhs)

Particulars	For the year ended	
	2021	2020
<b>Amount spent during the year on :</b>		
(a) Health & Hygiene projects	32.17	28.42
(b) Education	-	-
(c) Environment	-	-
<b>Total</b>	<b>32.17</b>	<b>28.42</b>



**Tata Marcopolo Motors Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021 (continued)**

**29 Related party disclosures**

**A) Related party and their relationship**

**1 Holding company** : Tata Motors Limited ('TML')

**2 Investor exercising significant influence over the Company** : Marcopolo S.A. Brazil (MP S.A.)

**3 Fellow subsidiaries-(with whom the Company has transactions during the period)**

a) Tata Technologies Limited ('TTL')

**4 Fellow associates-(with whom the Company has transactions during the period)**

a) Automobile Corporation of Goa Limited ('ACGL')

b) Tata Motors Finance Solutions Private Limited('TMLFSL') -

**5 Key management personnel (KMP)**

a) Kaushik Roy - Chief Financial Officer

b) Laxmiprasad Jahagirdar - Manager and chief executive officer

c) A B Koyari - Company Secretary

**B) Transactions with the related parties**

(Previous period figures are in brackets)

(₹ in Lakhs)

Particulars	Holding Company	Fellow Subsidiaries			Investor exercising significant influence	Fellow Associates	Total
	TML	TTL	TMLFSL	TMLBSL	MP S.A.	ACGL	
<b>Transactions during the period ended March 31, 2021</b> (period ended March 31, 2020 are shown in brackets)							
Interest expenses	220.96	-	198.09	-	-	-	419.05
	-	-	-	-	-	-	-
Interest received on inter-corporate deposit	36.45	-	-	-	-	-	36.45
	(54.62)	-	-	-	-	-	(54.62)
Inter-corporate deposit given	12,600.00	-	-	-	-	-	12,600.00
	(32,200.00)	-	-	-	-	-	(32,200.00)
Inter-corporate deposit received back	13,750.00	-	-	-	-	-	13,750.00
	(31,050.00)	-	-	-	-	-	(31,050.00)
Inter-corporate deposits received	5,500.00	-	-	-	-	-	5,500.00
	-	-	-	-	-	-	-
Inter-corporate deposit returned	2,500.00	-	-	-	-	-	2,500.00
	-	-	-	-	-	-	-
Advance received	2,043.94	-	-	-	-	-	2,043.94
	-	-	-	-	-	-	-
Advance returned/ Adjusted	1,500.00	-	-	-	-	-	1,500.00
	-	-	-	-	-	-	-
Acceptances received (Net)	-	-	4,946.31	-	-	-	4,946.31
	-	-	-	-	-	-	-
Sale of goods/services (inclusive of taxes and net of discounting charges)	29,401.86	-	896.80	-	-	4.99	30,303.65
	(67,695.84)	-	-	-	-	-	(67,695.84)
Purchase of goods/services (inclusive of taxes)	62.79	619.24	-	-	406.90	-	1,088.94
	(762.91)	(648.19)	-	-	(1,406.51)	(0.19)	(2,817.80)
Purchase of fixed assets (inclusive of taxes)	-	-	-	-	-	-	-
	-	(28.12)	-	-	-	-	(28.12)
Reimbursement of cost (inclusive of taxes)	750.77	-	-	-	-	-	750.77
	(1,515.35)	-	-	-	-	-	(1,515.35)
Recovery of expenses (inclusive of taxes)	377.71	0.86	-	-	-	0.51	379.08
	(194.27)	-	-	-	(0.49)	-	(194.76)
Services received (inclusive of taxes)	271.34	-	-	29.64	-	-	300.98
	(270.41)	-	-	-	-	-	(270.41)
Remuneration paid to KMPs (inclusive of taxes)	140.21	-	-	-	-	-	140.21
	(143.14)	-	-	-	-	-	(143.14)
Right of use Assets - Interest and Depreciation (including taxes)	323.47	-	-	-	-	-	323.47
	(451.33)	-	-	-	-	-	(451.33)
Common services by TML (including taxes)	34.51	-	-	-	-	-	34.51
	(111.21)	-	-	-	-	-	(111.21)
<b>Balance as at March 31, 2021</b> (Balance as at March 31, 2020 is shown in brackets)							
Inter-corporate deposits payable	3,000.00	-	-	-	-	-	3,000.00
	-	-	-	-	-	-	-
Inter-corporate deposits receivable	-	-	-	-	-	-	-
	(1,500.00)	-	-	-	-	-	(1,500.00)
Amount receivable	10,666.79	-	-	-	-	4.99	10,671.78
	(15,253.75)	-	-	-	-	-	(15,253.75)
Advance payable	543.94	-	-	-	-	-	543.94
	-	-	-	-	-	-	-
Amount payable (including RTU lease liability)	1,393.42	214.65	4,991.39	3.37	343.15	-	6,945.97
	(2,099.73)	(274.29)	-	-	(902.05)	-	(3,276.07)

**Tata Marcopolo Motors Limited**  
Notes forming part of the financial statements for the year ended March 31, 2021 (continued)

**30 Additional Disclosure for transactions with Tata Sons Private Limited, its subsidiaries and Joint ventures**

- a) Tata Communications Limited('TCL')  
b) TM Automotive Seating Systems Private Limited('TASSPL')  
c) Tata Consultancy Services Limited('TCS')  
d) Tata Teleservices Limited('TTSL')  
e) Tata Elxsi Limited('TEL')

Transactions during the period ended March 31, 2021 (Period ended March 31, 2020 are shown in brackets)						(₹ in Lakhs)
Particulars	TCL	TASSPL	TCS	TTSL	TEL	Total
Purchase of goods/services (inclusive of taxes)	58.45	538.80	150.66	-	-	747.90
	(6.15)	(1,694.56)	(194.61)	(0.40)	(1.60)	(1,897.32)

Balance as at March 31, 2021 (Balance as at March 31, 2020 is shown in brackets)						(₹ in Lakhs)
Particulars	TCL	TASSPL	TCS	TTSL	TEL	Total
Amount payable	7.09	177.38	63.47	-	-	247.94
	-	(396.12)	(55.77)	-	-	(451.89)

**31 Segment Reporting**

The Company is engaged in the business of manufacture of Motor Vehicles and Trailers (including job work). This in the context of Indian Accounting Standard 108 (Ind As 108) Operating Segments is considered to constitute a single operating segment.

The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to the customers in India and there are no assets which are situated outside India.

**Information about major customers:**

The majority of the sale of products of the Company is to single customer.

**32 Earnings per share**

Particulars	Year Ended March 31	
	2021	2020
(Loss) / Profit after tax (₹ in lakhs)	(9,025.08)	2,063.43
The weighted average number of Equity shares	17,00,00,000	17,00,00,000
Earnings per share (Not annualised) (₹) - Basic and Diluted	(5.31)	1.21
Face value per equity share (₹)	10.00	10.00

**33 Employee benefits**

a) Defined benefit plan:

The Company has recognised ₹ 245.05 Lakhs (March, 20: ₹ 253.17 Lakhs) in the Statement of Profit and Loss under Note 24 in the Contribution to provident fund and other funds. Provident Fund has been maintained with Tata Motors Ltd- P F Trust. The Pension fund is maintained with the Office of Regional Provident Commissioner, Lucknow & Hubli.

b) The Company operates post retirement defined benefit plans for Gratuity, Post Retirement Medicare schemes, Bhavishya Kalyan Yojana (BKY) and Provident fund which is maintained with TML PF trust.

c) Refer Annexure 1 for additional details. Upto FY 2018-19, the provident fund scheme ("the scheme") was considered entirely as defined contribution plan. However, in the previous year the Company has determined the scheme to be a defined benefit plan on account of expected credit default or rating reassessment of investments held by the fund. The Company has performed an actuarial valuation and accounted for the scheme accordingly. Hence, comparative information for the actuarial valuation disclosures has not been provided in the financial statements.

**34 The foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below:**

Nature of Payables	March 31, 2021		March 31, 2020	
	Foreign Currency in Lakhs	INR Value in Lakhs	Foreign Currency in Lakhs	INR Value in Lakhs
Import of goods and Services				
US Dollar	0.98	71.66	0.69	51.91

**35 Micro, Small and Medium Enterprise Development Act, 2006**

The Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of Principal and outstanding are given below:

Particulars		(₹ in Lakhs)	
		2021	2020
Amounts outstanding but not due as at March 31	Principal	1,898.44	822.14
Amounts paid after appointed date during the year	Principal	293.35	17.34
Amounts of interest accrued and unpaid as at March 31	Interest	67.44	70.71

**36 Contract liabilities as per Ind AS 115**

(₹ in Lakhs)	
	As at March 31, 2021
Advance received from customers	523.41
<b>Total</b>	<b>523.41</b>

(₹ in Lakhs)	
	As at March 31, 2021
Opening contract and refund liabilities	25.62
Amount recognized in revenue during the year	(25.62)
Amount received during the year	523.41
Closing contract and refund liabilities	523.41

**Tata Marcopolo Motors Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021 (continued)**

**37 Financial instruments**

(i) **Capital management**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and borrowings – long-term and short-term.

(ii) **Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(iii) **Foreign currency exchange rate risk:**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the small quantum and short period of such exposure.

The carrying amounts of the Company's foreign currency denominated monetary liabilities at the end of the reporting period, which are not hedged:

Currency	(Foreign currency in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
USD	0.98	0.69

**Foreign currency sensitivity analysis**

10% appreciation/depreciation of USD and EURO with respect to functional currency of the Company would result in decrease/increase in the Company's net income before tax by approximately ₹ 7.17 lakhs, ₹ Nil respectively for financial liabilities for the financial year ended March 31, 2021 and ₹ 5.19 lakhs, ₹ Nil for the year ended March 31, 2020.

(iv) **Transfer of financial assets**

The Company transfers trade receivables in securitization transactions and direct assignments. In such transactions the Company surrenders control over the receivables, though it continues to act as an agent for the collection of receivables. In most of these transactions, the Company also provides credit enhancements to the transferee.

The carrying amount of trade receivables and along with the associated liabilities is as follows:

Name of the asset	(₹ in Lakhs)			
	As at March 31, 2021		As at March 31, 2020	
	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
Trade receivables	8,757.54	8,757.54	13,652.44	13,652.44

**Tata Marcopolo Motors Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021 (continued)**

(v) **Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from banks.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2021:

(₹ in Lakhs)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Accounts payable and acceptances	11,282.13	11,282.13				11,282.13
Borrowings and accrued interest thereon	18,637.60	14,791.11	357.14	2,869.42	619.93	18,637.60
Finance lease obligations	1,257.47	309.27	251.36	244.75	452.09	1,257.47
Other financial liabilities	303.45	303.45				303.45
<b>Total</b>	<b>31,480.65</b>	<b>26,685.96</b>	<b>608.50</b>	<b>3,114.17</b>	<b>1,072.02</b>	<b>31,480.65</b>

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2020:

(₹ in Lakhs)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Accounts payable and acceptances	9,126.96	9,126.96	-	-	-	9,126.96
Borrowings and accrued interest thereon	18,598.42	16,150.42	650.00	-	1,798.00	18,598.42
Finance lease obligations	1,525.52	327.95	373.80	436.11	387.66	1,525.52
Other financial liabilities	528.00	528.00	-	-	-	528.00
<b>Total</b>	<b>29,778.90</b>	<b>26,133.33</b>	<b>1,023.80</b>	<b>436.11</b>	<b>2,185.66</b>	<b>29,778.90</b>

(vi) **Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as loans and advances and trade receivables. The company is exposed to concentration of credit risks since its sales of products are to a single customer.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 12,306.81 lakhs as of March 31, 2021, ₹ 18,244.17 lakhs as of March 31, 2020, being the total of the carrying amount of balances with banks, trade receivables and other financial assets.

(vii) **Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

As at March 31, 2021 and 2020, financial liability of ₹ 21,543.04 lakhs and ₹ 16,782.17 lakhs, respectively, was subject to variable interest rates. Increase/ decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹ 215.43 lakhs and ₹ 167.82 lakhs for the year ended March 31, 2021 and 2020, respectively.

**Tata Marcopolo Motors Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021 (continued)**

(viii) **Fair value of financial assets and financial liabilities that are measured at amortised cost**

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2021:

(₹ in Lakhs)

Financial assets	Carrying value	Fair value
Cash and cash equivalents	114.25	114.25
Trade receivables	10,719.90	10,719.90
Other financial assets:		
- current	0.08	0.08
- non-current	1,438.63	1,438.63
<b>Total</b>	<b>12,272.86</b>	<b>12,272.86</b>

(₹ in Lakhs)

Financial liabilities	Carrying value	Fair value
Trade payables	6,335.82	6,335.82
Acceptances	4,946.31	4,946.31
Current borrowings (excluding current portion of long-term debt)	13,457.00	13,457.00
Non-current borrowings (including current portion of long-term debt)	5,180.60	5,180.60
Finance lease obligations	1,257.47	1,257.47
Other financial liabilities:		
- current	303.45	303.45
<b>Total</b>	<b>31,480.65</b>	<b>31,480.65</b>

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2020:

(₹ in Lakhs)

Financial assets	Carrying value	Fair value
Cash and cash equivalents	1.36	1.36
Trade receivables	15,254.61	15,254.61
Other financial assets:		
- current	1,166.22	1,166.22
- non-current	1,821.98	1,821.98
<b>Total</b>	<b>18,244.17</b>	<b>18,244.17</b>

(₹ in Lakhs)

Financial liabilities	Carrying value	Fair value
Trade payables	9,126.96	9,126.96
Current borrowings (excluding current portion of long-term debt)	15,232.17	15,232.17
Non-current borrowings (including current portion of long-term debt)	3,366.25	3,366.25
Finance lease obligations	1,525.52	1,525.52
Other financial liabilities:		
- current	528.00	528.00
<b>Total</b>	<b>29,778.90</b>	<b>29,778.90</b>

**Tata Marcopolo Motors Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021 (continued)**

**(b) Transfer of financial assets**

The Company transfers certain trade receivables under the bill discounting arrangements. These do not qualify for derecognition, due to the recourse arrangement in place. Consequently the proceeds received from transfer are recorded as loans from banks and classified under current borrowings.

The carrying amount of such trade receivables and along with the associated liabilities is as follows:

**(₹ in Lakhs)**

Name of the asset	As at March 31, 2021		As at March 31, 2020	
	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
Trade receivables	<b>8,757.54</b>	<b>8,757.54</b>	13,652.44	13,652.44

**37** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**38** Previous period's figures have been regrouped /reclassified wherever necessary to conform with current period's classification/disclosure.

Annexure 1

Employee benefits

A The disclosure as required under Ind AS-19 regarding the Company's defined benefit plans is as follows :

i) **Investment risk:**

The present value of the defined benefit plans liability is calculated using the discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the fund comprises of investment in other

ii) **Interest risk:**

A decrease in the bond interest rate will increase the plan's liability.

iii) **Longevity risk:**

The present value of the defined benefit plan liability is calculated by the reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the

iv) **Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(₹ in Lakhs)

B	Actuarial Disclosure	Gratuity (Funded)		Post Retirement Medicare Schemes	
		2021	2020	2021	2020
	<b>I Total cost recognised in Comprehensive Income</b>				
	<b>A Cost recognised in Statement of Profit and Loss</b>				
	1 Current service cost	136.09	118.00	18.42	15.14
	2 Past Service Cost-Plant Amendment	79.13	66.78	-	-
	3 Net interest expense	(80.78)	(76.10)	10.95	8.76
	<b>Cost recognised in Statement of Profit and Loss</b>	<b>134.44</b>	<b>108.68</b>	<b>29.37</b>	<b>23.90</b>
	<b>B Remeasurement effects recognised in Other Comprehensive Income (OCI)</b>				
	1 Return on plan assets (excluding amounts included in net interest expense)	(35.93)	39.38	-	-
	2 Actuarial gains arising from changes in demographic assumptions	-	-	-	-
	3 Actuarial (gains)/losses arising from changes in financial assumptions	-	127.71	3.13	33.14
	4 Actuarial gains arising from experience adjustments	(45.92)	3.03	(12.67)	(13.67)
	<b>Remeasurement effects recognised in Other Comprehensive Income (OCI)</b>	<b>(81.85)</b>	<b>170.12</b>	<b>(9.54)</b>	<b>19.47</b>
	<b>Total cost recognised in Comprehensive Income</b>	<b>52.59</b>	<b>278.80</b>	<b>19.83</b>	<b>43.37</b>
	<b>II Actual contribution and benefit payments for year ended March 31,</b>				
	Actual benefits payments	20.43	51.44	-	-
	Actual contributions	101.89	261.45	-	-
	<b>III Net assets/ (liability) recognised in the Balance Sheet as at March 31,</b>				
	1 Present value of defined benefit Obligation	1305.91	1157.04	(178.48)	(158.65)
	2 Fair value of plan assets	1328.18	1130.01	N/A	N/A
	3 Funded status (surplus /deficit)	22.27	(27.03)	(178.48)	(158.65)
	4 Net assets/ (liability) as at March 31,	22.27	(27.03)	(178.48)	(158.65)
	5 (Current liability)/ net assets	22.27	(27.03)	-	-
	6 Non-current liability	-	-	(178.48)	(158.65)
	<b>IV Change in Defined Benefit Obligation (DBO) during the year March 31,</b>				
	1 Present value of defined benefit obligation (DBO) at the beginning of the year	1,157.04	892.96	158.65	115.28
	2 Current service cost	136.09	118.00	18.42	15.14
	3 Past service cost	-	-	-	-
	4 Interest cost	79.13	66.78	10.95	8.76
	5 Remeasurements gains	-	-	-	-
	- Actuarial gains arising from changes in demographic assumptions	-	-	-	-
	- Actuarial (gains)/losses arising from changes in financial assumptions	-	127.71	3.13	33.14
	- Actuarial gains arising from changes in experience	(45.92)	3.03	(12.67)	(13.67)
	6 Benefit payments	-	(51.44)	-	-
	7 Disbursements from Plan Assets	(20.43)	-	-	-
	8 Present value of defined benefit obligation (DBO) at the end of year	1,305.91	1,157.04	178.48	158.65
	<b>V Change in fair value of assets during the year ended March 31,</b>				
	1 Plan assets at the beginning of the year	1,130.01	883.28	N/A	N/A
	2 Expected return on plan assets	35.93	(39.38)	N/A	N/A
	3 Actual return on plan assets	80.78	76.10	N/A	N/A
	4 Actual Company contributions	101.89	261.45	N/A	N/A
	5 Actuarial gain	-	N/A	N/A	N/A
	6 Benefits paid	-	(51.44)	N/A	N/A
	7 Disbursements	(20.43)	-	-	-
	8 Plan assets at the end of the year	1,328.18	1,130.01	N/A	N/A
	<b>VI Actuarial assumptions</b>				
	1 Discount rate	6.90%	6.90%	6.90%	6.90%
	2 Expected return on plan assets (funded)	6.90%	6.90%	N/A	N/A
	3 Salary escalation	6%-7%	5%-7%	N/A	N/A
	4 Medical cost inflation	N/A	N/A	6%	6%
	The Employees are assumed to retire at the age of 58 years				
	The mortality rates considered are as per Indian Assured Lives Mortality (2006-08) (Modified) Ultimate tables				

VII Sensitivity analysis		Gratuity (Funded)		Medicare	
A one percentage point change is assumed healthcare cost trend rate would have following effects on the aggregate of the service cost and defined benefit obligations.		One percentage point increase in discount rate	One percentage point decrease in discount rate	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
		2021	2020	2021	2020
1	Change in DBO (Defined benefit obligation)	(206.43)	(189.02)	255.46	235.94
2	Change in service cost	(20.41)	(20.68)	25.24	25.78
3	Change in interest cost	(37.42)	(35.85)	40.87	39.83
				(36.54)	43.43
				(3.60)	4.74
				(5.19)	8.06
				47.28	(33.82)
				4.67	(3.69)
				6.15	(6.28)

Annexure 1  
Employee benefits

(₹ in Lakhs)

C	Actuarial Disclosure	Bhavishya Kalyan Yojana		Provident Fund(Funded)	Provident Fund(Funded)
		2021	2020	2021	2020
I	<b>Total cost recognised in Comprehensive Income</b>				
A	<b>Cost recognised in Statement of Profit and Loss</b>				
1	Current service cost	31.35	25.06	152.13	156.08
2	Past Service Cost-Plant Amendment	-	-	-	-
3	Net interest expense	22.78	17.76	7.15	(5.42)
	<b>Cost recognised in Statement of Profit and Loss</b>	<b>54.13</b>	<b>42.82</b>	<b>159.28</b>	<b>150.66</b>
B	<b>Remeasurement effects recognised in Other Comprehensive Income (OCI)</b>				
1	Return on plan assets (excluding amounts included in net interest expense)	-	-	95.02	(51.26)
2	Actuarial gains arising from limit on net asset	-	-	47.57	(13.90)
3	Actuarial (gains)/losses arising from changes in financial assumptions	-	31.12	-	-
4	Actuarial gains arising from experience adjustments	-	33.74	(59.16)	68.81
	<b>Remeasurement effects recognised in Other Comprehensive Income (OCI)</b>	<b>(3.26)</b>	<b>64.86</b>	<b>83.43</b>	<b>3.65</b>
	<b>Adjustment for limit on net asset</b>			<b>(0.01)</b>	
	<b>Total cost recognised in Comprehensive Income</b>	<b>50.87</b>	<b>107.68</b>	<b>242.70</b>	<b>154.31</b>
II	<b>Actual contribution and benefit payments for year ended March 31,</b>				
	Actual benefits payments	9.89	6.58	147.58	129.72
	Actual contributions	-	-	-	601.11
III	<b>Net assets/ (liability) recognised in the Balance Sheet as at March 31,</b>				
1	Present value of defined benefit Obligation	(376.00)	(335.02)	3,837.35	3,579.68
2	Fair value of plan assets	N/A	N/A	3,742.23	3,579.68
3	Funded status (surplus / (deficit)	(376.00)	(335.02)	(95.12)	-
4	Net assets/ (liability) as at March 31,	(376.00)	(335.02)	(95.12)	-
5	(Current liability)/ net assets	(9.41)	(75.99)	-	-
6	Non-current liability	(366.59)	(259.03)	(95.12)	-
IV	<b>Change in Defined Benefit Obligation (DBO) during the year March 31,</b>				
1	Present value of defined benefit obligation (DBO) at the beginning of the year	335.02	233.92	3579.68	2992.54
2	Current service cost	31.35	25.06	152.13	156.08
3	Past service cost	-	-	-	-
4	Interest cost	22.78	17.76	301.21	263.93
5	Remeasurements gains	-	-	-	-
	- Actuarial gains arising from changes in demographic assumptions	-	-	-	-
	- Actuarial (gains)/losses arising from changes in financial assumptions	-	31.12	47.57	-
	- Actuarial gains arising from changes in experience	(3.26)	33.74	(59.16)	68.81
6	Benefit payments	(9.89)	(6.58)	(151.83)	(129.72)
7	Employee contributions	-	-	430.54	446.80
8	Acquisitions (credit) / cost	-	-	(462.79)	(218.76)
9	Present value of defined benefit obligation (DBO) at the end of year	376.00	335.02	3,837.35	3,579.68
V	<b>Change in fair value of assets during the year ended March 31,</b>				
1	Plan assets at the beginning of the year	N/A	N/A	3579.69	3006.44
2	Expected return on plan assets	N/A	N/A	(95.02)	269.35
3	Return on plan assets excluding amounts included in interest income	N/A	N/A	(462.79)	51.26
4	Contributions (employer and employee)	9.89	N/A	294.06	601.11
5	Actuarial gain	N/A	N/A	147.58	-
6	Benefits paid	(9.89)	N/A	430.54	(129.72)
7	Acquisition Adjustment	N/A	N/A	(151.83)	(218.76)
8	Plan assets at the end of the year	N/A	N/A	3,742.23	3,579.68
VI	<b>Actuarial assumptions</b>				
1	Discount rate	6.90%	6.90%	6.90%	6.90%
2	Expected return on plan assets (funded)	N/A	N/A	N/A	8.60%
3	Salary escalation	5%-7%	5%-7%	N/A	N/A
4	Medical cost inflation	N/A	N/A	N/A	N/A
VII	<b>Expected contribution is Rs. 32.12 Lacs to the gratuity scheme for the next year.</b>				
VIII	<b>Sensitivity analysis</b>				
	As at March 31, 2021, the defined benefit obligation would be affected by approximately ₹174.43 lakhs on account of a 0.50% decrease in the expected rate of return on plan assets.				
	The Employees are assumed to retire at the age of 58 years				
	The mortality rates considered are as per Indian Assured Lives Mortality (2006-08) (Modified) Ultimate tables				

In terms of our report attached

For B S R & Co. LLP  
Chartered Accountants  
Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors  
Tata Marcopolo Motors Limited  
CIN : U34101MH2006PLC164771

Swapnil Dakshindas  
Partner  
Membership Number: 113896  
Place: Pune  
Date : 05th May, 2021  
UDIN : 21113896AAAACU2216

Girish Arun Wagh  
Chairman  
DIN: 03119361  
Place: Pune

Asim Kumar Mukhopadhyay  
Director  
DIN: 06520288  
Place: Thane

Andre Vidal Armaganijan  
Director  
DIN: 08037960  
Place: Brazil

Laxmiprasad Jahagirdar  
Manager & Chief Executive Officer  
Place: Dharwad

Kaushik Roy  
Chief Financial Officer  
Place: Dharwad

A B Koyari  
Company Secretary  
ACS: 15825  
Place: Pune  
Date : 05th May, 2021