

Independent Auditor's Report

To the Members of Tata Passenger Electric Mobility Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

Tata Passenger Electric Mobility Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditor's Report (Continued)

Tata Passenger Electric Mobility Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 01 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38 (iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 38 (v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, the Company has used accounting

Independent Auditor's Report (Continued)

Tata Passenger Electric Mobility Limited

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

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

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

In our opinion and according to the information and explanations given to us, the 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) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

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

Rishabh Kumar

Partner

Place: Mumbai

Membership No.: 402877

Date: 05 May 2025

ICAI UDIN:25402877BMOTWI4970

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

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

Particulars	Loans (Rs in crore)
Aggregate amount during the year Others - Companies	1,641.50

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

Others - Employees	0.23
Balance outstanding as at balance sheet date	
Others - Companies	NIL
Others - Employees	0.28

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided any guarantee or security or granted any advances in nature of loan to any party during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan of Rs. 1,641.50 crores given to Tata Motors Limited which was repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan as reported in para iii (c) above. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there is no overdue amount for more than ninety days in respect of loans given. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Promoters* (Rs in crore)	Related Parties*
Aggregate of loans		
- Repayable on demand (A)	1,641.50	-
- Agreement does not specify any terms or period of Repayment (B)	-	-
Total (A+B)	1,641.50	-

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

Percentage of loans to the total loans	100%	-
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*Promoter and Related party as defined in Clause (76) of Section 2 of the Companies Act, 2013 is same.

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has complied with the provisions of Sections 73 to 76 or other relevant provisions of the Act and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits or amounts which are deemed to be deposits. As informed to us, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the

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

Company.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2025.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2025.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.

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

- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has seven CICs as part of the Group. The Group has six CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.
- (xvii) The Company has not incurred cash losses in the current financial year. Further the company has incurred cash losses of Rs 295.33 crores in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Rishabh Kumar

Partner

Place: Mumbai

Membership No.: 402877

Date: 05 May 2025

ICAI UDIN:25402877BMOTWI4970

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

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

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

Opinion

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

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

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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

Rishabh Kumar

Partner

Place: Mumbai

Membership No.: 402877

Date: 05 May 2025

ICAI UDIN:25402877BMOTWI4970

TATA PASSENGER ELECTRIC MOBILITY LIMITED

Balance Sheet

		(₹ in crores)	
	Notes	As at March 31, 2025	As at March 31, 2024
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3 (b)	1,957	1,537
(b) Capital work-in-progress	3 (c)	512	395
(c) Right of use assets	4 (b)	17	23
(d) Other intangible assets	5 (b)	622	552
(e) Intangible assets under development	5 (c)	728	284
(f) Financial assets:			
(i) Investments in subsidiary company	6 (b)	623	567
(ii) Other financial assets	9	28	20
(g) Non-current tax assets (net)		113	80
(h) Other non-current assets	11	124	42
		4,724	3,500
(2) CURRENT ASSETS			
(a) Inventories	13 (b)	269	277
(b) Financial assets:			
(i) Investments in subsidiary company	6 (c)	-	33
(ii) Other investments	7	1,150	360
(iii) Trade receivables	14	311	105
(iv) Cash and cash equivalents	15	206	269
(v) Bank balances other than (iv) above	16	2,220	1,882
(vi) Loans	8	-	2,197
(vii) Other financial assets	10	293	103
(c) Other current assets	12	846	631
		5,295	5,857
TOTAL ASSETS		10,019	9,357
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	700	700
(b) Other equity		4,272	4,165
		4,972	4,865
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities:			
(i) Lease liabilities	4 (b)	11	16
(ii) Compulsorily Convertible Preference Shares - liability portion		2,464	2,548
(b) Provisions	21 (b)	102	63
(c) Other non-current liabilities	23	80	26
		2,657	2,653
(2) CURRENT LIABILITIES			
(a) Financial liabilities:			
(i) Lease liabilities	4 (b)	8	9
(ii) Trade payables	19		
(a) Total outstanding dues of micro and small enterprises		17	7
(b) Total outstanding dues of creditors other than micro and small enterprises		1,834	1,250
(c) Acceptances		12	13
(iii) Other financial liabilities	20	275	377
(b) Provisions	21 (c)	126	65
(c) Current tax liabilities (net)		2	-
(d) Other current liabilities	24	116	118
		2,390	1,839
TOTAL EQUITY AND LIABILITIES		10,019	9,357

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

For and on behalf of the Board

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

P B BALAJI [DIN: 02762983]
Director

SHAILESH CHANDRA [DIN: 07593905]
Managing Director

RISHABH KUMAR
Partner
Membership No.402877

DHIMAN GUPTA
Chief Financial Officer

KAYNAZ SARBHANWALA [ACS: 34947]
Company Secretary

Place- Mumbai
Date: May 5, 2025

Place- Mumbai
Date: May 5, 2025

TATA PASSENGER ELECTRIC MOBILITY LIMITED
Statement of Profit and Loss

		(₹ in crores)	
	Notes	Year ended	
		March 31, 2025	March 31, 2024
Revenue from operations			
(a) Revenue		14,573	9,922
(b) Other operating revenue		17	9
I. Total revenue from operations	25 (b)	14,590	9,931
II. Other income	26 (b)	657	424
III. Total income (I+II)		15,247	10,355
IV. Expenses:			
(a) Cost of materials consumed		7,113	602
(b) Purchases of products for sale		5,929	8,667
(c) Changes in inventories of finished goods, work-in-progress and products for sale		34	(116)
(d) Employee benefits expense	27	331	211
(e) Finance costs	28	14	10
(f) Compulsorily convertible preference share measured at fair value (gain)/loss		(84)	48
(g) Foreign exchange loss (net)		4	2
(h) Depreciation and amortisation expense		319	110
(i) Product development/engineering expenses		499	535
(j) Other expenses	29	1,067	808
(k) Amount transferred to capital and other account	30	(78)	(70)
Total expenses (IV)		15,148	10,807
V. Profit/(loss) before exceptional item tax (III-IV)		99	(452)
VI. Exceptional item:			
Past service cost: Post retirement medicare scheme		2	-
VII. Profit/(loss) before tax (V-VI)		97	(452)
VIII. Tax expense/(credit) (net):	22		
(a) Current tax		2	1
(b) Deferred tax		(0)	1
Total tax expense (net)		2	2
IX. Profit/(loss) for the year (V-VI)		95	(454)
X. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit or loss:			
Remeasurement (losses)/gains on defined benefit obligations (net)		1	(2)
(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		(0)	1
(B) (i) Items that will be reclassified to profit or loss - gain in cash flow hedges		0	-
(ii) Income tax expense relating to items that will be reclassified to profit or loss		(0)	-
Total other comprehensive income/(loss) for the year (net of tax)		1	(1)
XI. Total comprehensive income/(loss) for the year (VII+VIII)		96	(455)
XII. Earnings per equity share (EPS)	32		
Ordinary shares (face value of ₹10 each):			
(i) Basic EPS	₹	0.13	(6.48)
(ii) Diluted EPS	₹	0.13	(6.48)

See accompanying notes to financial statements
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For and on behalf of the Board

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

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Director

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

DHIMAN GUPTA
Chief Financial Officer

KAYNAZ SARBHANWALA [ACS: 34947]
Company Secretary

Place- Mumbai
Date: May 5, 2025

Place- Mumbai
Date: May 5, 2025

TATA PASSENGER ELECTRIC MOBILITY LIMITED
Statement of Cash Flow

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
Cash flows from operating activities:		
Profit/(loss) for the year	95	(454)
Adjustments for:		
Depreciation and amortisation expense	319	110
Allowance for trade and other receivables	0	3
Discounting of warranty provisions	2	(8)
Non cash exceptional item	2	-
Lease Charges (Amortisation considered as employee cost)	6	5
Inventory write down (net)	2	0
Compulsorily convertible preference share measured at fair value (gain)/loss	(84)	48
Profit on sale of investments at FVTPL (net)	(53)	(21)
Marked-to-market gain on investments measured at FVTPL	(4)	(1)
Tax expense (net)	2	2
Finance costs	14	10
Unrealised foreign exchange (gain)/loss (net)	(1)	0
Interest income	(248)	(402)
	(43)	(254)
Cash flows from/(used in) operating activities before changes in following assets and liabilities	52	(708)
Trade receivables	(206)	(107)
Loans and other financial assets	(271)	(31)
Other current and non-current assets	(232)	(362)
Inventories	6	(277)
Trade payables	593	1,107
Other current and non-current liabilities	51	125
Other financial liabilities	1	0
Provisions	94	125
Cash generated from/(used in) operations	88	(128)
Income tax paid (net)	(33)	(40)
Net cash from/(used in) operating activities	55	(168)
Cash flows from investing activities:		
Payments for property, plant and equipments	(777)	(907)
Payments for other intangible assets	(762)	(584)
Investments in mutual fund (purchased)/sold (net)	(766)	70
Realisation of fixed deposits with banks	2,530	2,724
Investment in a subsidiary company	(55)	-
Investment in government securities	-	(33)
Redemption of investments in government securities	35	-
Proceeds from sale of investment in a subsidiary company	44	-
Decrease in short term inter corporate deposit	2,197	(138)
Fixed deposits with banks made	(2,870)	(1,006)
Realisation of restricted deposits with banks	2	-
Interest received	322	320
Net cash generated from/(used in) investing activities	(100)	446
Cash flows used in financing activities:		
Repayment of lease liabilities (including interest)	(9)	(6)
Interest paid (including discounting charges paid: ₹2 crores (March 31, 2024 ₹5 crores))	(9)	(8)
Net cash used in financing activities	(18)	(14)
Net increase/(decrease) in cash and cash equivalents	(63)	264
Cash and cash equivalents as at April 1, (opening balance)	269	5
Cash and cash equivalents as at March 31, (closing balance)	206	269
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit	274	377

See accompanying notes to financial statements
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For **B S R & Co. LLP**
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Company Secretary

Place- Mumbai
Date: May 5, 2025

Place- Mumbai
Date: May 5, 2025

TATA PASSENGER ELECTRIC MOBILITY LIMITED
Statement of Changes in Equity for the year ended March 31, 2025 and 2024

A. Equity Share Capital

Particulars	(₹ in crores)
Balance as at April 1, 2024	700
Balance as at March 31, 2025	700
Balance as at April 1, 2023	700
Balance as at March 31, 2024	700

B. Other Equity (refer note 18)

	Capital Reserve	Compulsorily Convertible Preference Shares	Retained earnings	Quasi Equity	Other Components of equity		Total other equity
					Hedging Reserve	Cost of hedging reserve	
Balance as at April 1, 2024	(89)	4,943	(774)	85	-	-	4,165
Profit for the year	-	-	95	-	-	-	95
Remeasurement gain on defined benefit obligations (net)	-	-	1	-	-	-	1
Gain/(loss) in cash flow hedges	-	-	-	-	0	(0)	0
Sale of Subsidiary Company (Refer note no. 6 (c))	11	-	-	-	-	-	11
Total comprehensive income for the period	11	-	96	-	0	(0)	107
Balance as at March 31, 2025	(78)	4,943	(678)	85	0	(0)	4,272
Balance as at April 1, 2023	(89)	4,943	(319)	85	-	-	4,620
Profit/(loss) for the year	-	-	(454)	-	-	-	(454)
Remeasurement loss on defined benefit obligations (net)	-	-	(1)	-	-	-	(1)
Total comprehensive income for the period	-	-	(455)	-	-	-	(455)
Balance as at March 31, 2024	(89)	4,943	(774)	85	-	-	4,165

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

For and on behalf of the Board

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

P B BALAJI [DIN: 02762983]
Director

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Membership No.402877

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Chief Financial Officer

KAYNAZ SARBHANWALA [ACS: 34947]
Company Secretary

Place- Mumbai
Date: May 5, 2025

Place- Mumbai
Date: May 5, 2025

TATA PASSENGER ELECTRIC MOBILITY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Background and operations

Tata Passenger Electric Mobility Limited referred to as ("the Company / TPEML"), designs, manufactures and sells a wide range of automotive vehicles.

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

The financial statements were approved by the Board of Directors and authorised for issue on May 5, 2025.

2 Material accounting policies:

(a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act") as amended from time to time.

(b) Basis of preparation

The financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period as explained in the accounting policies below. All amounts have been rounded to the nearest crores, unless otherwise indicated. "0" refers to amounts less than ₹ 0.50 crore.

(c) Use of estimates and judgments

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

i) Estimates

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- i) Note 3 and Note 5 - Property, plant and equipment and Intangible assets- useful life and impairment.
- ii) Note 21 - Provision for product warranty.
- iii) Note 22 - Recoverability/recognition of deferred tax assets.
- iv) Note 27(B) - Assets and obligations relating to employee benefits.

ii) Judgements

- i) Revenue recognition: The Company uses judgement to determine when control of its goods, primarily vehicles and parts, pass to the customer. This is assessed with reference to indicators of control, including the risks and rewards of ownership and legal title with reference to the underlying terms of the customer contract. Refer to note 25 for further information.
- ii) Capitalisation of product development costs: The Company applies judgement in determining at what point in a vehicle programme's life cycle the recognition criteria as per accounting standards are satisfied, and in determining the nature of the cost capitalised. Refer to note 5 for further information.

(d) Cost recognition

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

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

(e) Foreign currency

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

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date.

Exchange differences arising on settlement of transactions and translation of monetary items are recognized in the statement of profit and loss except to the extent.

(f) Segments

The Company primarily operates in the automotive business and has a single segment of passenger vehicles.

(g) Going concern

The Company's financial statements have been prepared on a going concern basis. The Company has a net current asset of ₹ 2,905 crores as at March 31, 2025.

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

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

(h) Impairment

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite life, may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

TATA PASSENGER ELECTRIC MOBILITY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

An asset or cash-generating unit impaired in prior years is reviewed at each balance sheet date to determine whether there is any indication of a reversal of impairment loss recognized in prior years.

(i) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 – Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there will be no significant impact on its financial statements.

3 Property, plant and equipment

(a) Accounting policy

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

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

Estimated useful lives of assets are as follows:

Type of Asset	Estimated useful life (years)
Buildings	4 to 60 years
Plant, machinery and equipment	8 to 20 years
Computers and other IT assets	4 to 6 years
Vehicles	4 to 10 years
Furniture, fixtures and office equipments	5 to 15 years

The useful lives is reviewed at each year end. Changes in expected useful lives are treated as change in accounting estimates.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

An item of property, plant and equipment is derecognized on disposal. Any gain or loss arising from derecognition of an item of property, plant and equipment is included in the statement of profit and loss.

TATA PASSENGER ELECTRIC MOBILITY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(b) Property, plant and equipment

	Owned assets						Given on lease		(₹ in crores)
	Land	Buildings	Plant, machinery and equipment	Furniture, fixtures and office equipments	Computers and IT assets	Vehicles	Land	Buildings	Total
Cost as at April 1, 2024	300	178	937	0	42	4	45	74	1,580
Additions	-	20	504	-	7	4	-	-	535
Disposal/Adjustments	(3)	-	(1)	-	-	-	3	-	(1)
Cost as at March 31, 2025	297	198	1,440	0	49	8	48	74	2,114
Accumulated depreciation as at April 1, 2024	-	(10)	(27)	-	(2)	(0)	-	(4)	(43)
Depreciation for the year	-	(8)	(95)	(0)	(7)	(1)	-	(3)	(114)
Disposal/Adjustments	-	-	0	-	-	-	-	-	0
Accumulated depreciation as at March 31, 2025	-	(18)	(122)	(0)	(9)	(1)	-	(7)	(157)
Net carrying amount as at March 31, 2025	297	180	1,318	0	40	7	48	67	1,957
Cost as at April 1, 2023	332	176	63	-	-	0	45	74	690
Additions	-	2	874	0	42	4	-	-	922
Disposal/Adjustments	(32)	-	-	-	-	-	-	-	(32)
Cost as at March 31, 2024	300	178	937	0	42	4	45	74	1,580
Accumulated depreciation as at April 1, 2023	-	(2)	(0)	-	-	-	-	(1)	(3)
Depreciation for the year	-	(8)	(27)	-	(2)	(0)	-	(3)	(40)
Accumulated depreciation as at March 31, 2024	-	(10)	(27)	-	(2)	(0)	-	(4)	(43)
Net carrying amount as at March 31, 2024	300	168	910	0	40	4	45	70	1,537

(c) Capital Work-in-Progress

	Year ended		(₹ in crores)
	March 31, 2025	March 31, 2024	
Balance at the beginning	395	317	
Additions during the year	652	1,000	
Capitalised during the year	(535)	(922)	
Balance at the end	512	395	

(d) Ageing of Capital work-in-progress

	As at March 31, 2025					(₹ in crores)
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total	
Projects in progress	440	72	-	-	512	
As at March 31, 2025	440	72	-	-	512	
	As at March 31, 2024					(₹ in crores)
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total	
Projects in progress	395	-	-	-	395	
As at March 31, 2024	395	-	-	-	395	

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

	As at March 31, 2025				
	To be completed				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	17	-	-	-	17
Other Projects*	17	-	-	-	17

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

There were no projects related to Capital work-in-progress where cost and time overrun has exceeded original plan as at March 31, 2024.

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

TATA PASSENGER ELECTRIC MOBILITY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

4. Leases

(a) Accounting policy

Lessee:

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

- The contract involves the use of an identified asset –this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive right, then the asset is not identified;
- The Company has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - The Company has the right to operate the asset; or
 - The Company designed the asset in a way that predetermines how and for what purposes it will be used.

As a practical expedient, the Company has accounted for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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

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

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

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

Lessor:

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

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

There are certain land and building which are given on operating lease to customers.

- (b) The Company leases a number of buildings and vehicles, certain of which have a renewal and/or purchase option in the normal course of the business. Extension and termination options are included in a number of leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Company re-assesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control. It is recognised that there is potential for lease term assumptions to change in the future and this will continue to be monitored by the Company where relevant. The Company's leases mature between 2026 and 2029. The weighted average rate applied is **8.63%** (2024: 8.63%).

The following amounts are included in the Balance Sheet :

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	8	9
Non-current lease liabilities	11	16
Total lease liabilities	<u>19</u>	<u>25</u>

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

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
Interest expense on lease liabilities	3	2
Expenses related to short-term leases	<u>3</u>	<u>4</u>

TATA PASSENGER ELECTRIC MOBILITY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in crores)		
Right of use assets	Buildings	Vehicles	Total
Cost as at April 1, 2024	7	22	29
Additions	-	10	10
Disposals/adjustments	(7)	(5)	(12)
Cost as at March 31, 2025	-	27	27
Accumulated amortisation as at April 1, 2024	(0)	(6)	(6)
Amortisation for the year	(2)	-	(2)
Amortisation - considered as employee cost	-	(6)	(6)
Disposal/adjustments	2	2	4
Accumulated amortisation as at March 31, 2025	-	(10)	(10)
Net carrying amount as at March 31, 2025	-	17	17
Cost as at April 1, 2023	-	12	12
Additions	7	12	19
Disposals/adjustments	-	(2)	(2)
Cost as at March 31, 2024	7	22	29
Accumulated amortisation as at April 1, 2023	-	(2)	(2)
Amortisation for the year	(0)	-	(0)
Amortisation - considered as employee cost	-	(5)	(5)
Disposal/adjustments	-	1	1
Accumulated amortisation as at March 31, 2024	(0)	(6)	(6)
Net carrying amount as at March 31, 2024	7	16	23

c) Reconciliation of movements of lease liabilities to cash flows used in financing activities:

	(₹ in crores)
Lease liabilities	
Balance as at April 1, 2024	11
Repayment of financing	(6)
Issue of new leases	19
Interest accrued	2
Lease terminations	(2)
Other adjustments/modifications	1
Balance as at March 31, 2024	25
Repayment of financing	(9)
Issue of new leases	10
Interest accrued	3
Lease terminations	(10)
Balance as at March 31, 2025	19

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5 Other Intangible assets

(a) Accounting policy

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

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

	Estimated amortisation period
Software	4 years
Product development cost	2 to 10 years

The amortisation period for intangible assets with finite useful lives is reviewed at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible asset

Research costs are charged to the statement of profit and loss in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate future economic benefits.

The cost of an internally generated intangible asset is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria to the completion of its development.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Product development expenditure is measured at cost less accumulated amortisation and impairment, if any. Amortisation is not recorded on product engineering in progress until development is complete.

Derecognition of intangible assets

An item of intangible assets is derecognized on disposal or when fully amortized and no longer in use. Any gain or loss arising from derecognition of an item of intangible assets is included in the statement of profit and loss.

(b) Intangible assets consist of the following:

	(₹ in crores)		
	Computer Software	Product development	Total
Cost as at April 1, 2024	123	515	638
Additions	75	198	273
Cost as at March 31, 2025	198	713	911
Accumulated amortisation as at April 1, 2024	(12)	(74)	(86)
Amortisation for the year	(44)	(159)	(203)
Accumulated amortisation as at March 31, 2025	(56)	(233)	(289)
Net carrying amount as at March 31, 2025	142	480	622
Cost as at April 1, 2023	13	121	134
Additions	110	394	504
Cost as at March 31, 2024	123	515	638
Accumulated amortisation as at April 1, 2023	(0)	(16)	(16)
Amortisation for the year	(12)	(58)	(70)
Accumulated amortisation as at March 31, 2024	(12)	(74)	(86)
Net carrying amount as at March 31, 2024	111	441	552

(c) Intangible assets under development

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
Balance at the beginning	284	124
Additions during the year	717	664
Capitalised during the year	(273)	(504)
Balance at the end	728	284

(d) Ageing of intangible assets under development

	(₹ in crores)				
	Up to 1 year	1-2 years	As at March 31, 2025 2-3 years	More than 3 years	Total
Projects in progress	562	165	1	-	728
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2025	562	165	1	-	728
	Up to 1 year	1-2 years	As at March 31, 2024 2-3 years	More than 3 years	Total
Projects in progress	283	1	-	-	284
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2024	283	1	-	-	284

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

	As at March 31, 2025				
	To be completed				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Project 1	314	-	-	-	314
Project 2	115	-	-	-	115
Other Projects*	51	-	-	-	51
	480	-	-	-	480

	As at March 31, 2024				
	To be completed				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Project 1	114	-	-	-	114
Other Projects*	21	-	-	-	21
	135	-	-	-	135

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

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

6 Investments in subsidiary

(a) Accounting policy

Investments in Subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in Subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

(b) Investments in subsidiary measured at cost – non-current:

Number of shares	Currency	Face value per unit (Fully paid up)		(₹ in crores)	
				As at March 31, 2025	As at March 31, 2024
			Investment in subsidiary measured at cost		
			Unquoted		
6,32,48,427	GBP	1	Tata Motors Design Tech Centre Plc. (UK) [formerly known as, Tata Motors European Technical Centre Plc. (UK)]	623	567
Total				623	567

(c) Investments in subsidiary measured at cost –current

Number of shares	Currency	Face value per unit (Fully paid up)		(₹ in crores)	
				As at March 31, 2025	As at March 31, 2024
			Investment in subsidiary measured at cost		
			Unquoted		
			Trilix Srl, Turin (Italy) (refer note below)	-	33
Total				-	33

Note:

During the year ended March 31, 2025, the Company sold 16,20,000 shares (face value of ₹1 each) of Trilix Srl, Turin (Italy) to Tata Motors Design Tech Centre Plc. (UK) for the total consideration of ₹ 44 crores. The gain on sale of ₹ 11 crores has been recorded in capital reserve, being common control transaction.

7 Other Investments-current

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
Investments measured at Fair value through profit and loss			
Quoted			
Mutual Funds		1,150	327
Investments measured at amortised cost			
Quoted			
Treasury bills		-	33
Total		1,150	360

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
(1)	Book Value of quoted investments	1,150	360
(2)	Market Value of quoted investments	1,150	360

8 Loans -current

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
Unsecured:			
Intercompany deposits, unsecured considered good:			
Tata Motors Limited		-	2,197
Total		-	2,197

9 Other financial assets - non current

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
(a)	Restricted deposits with Banks	0	-
(b)	Advances to employees	0	0
(c)	Recoverable from suppliers	19	10
(d)	Deposits	9	10
Total		28	20

10 Other financial assets - current

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
(a)	Advances and other receivables	0	-
(b)	Government grant receivables [Refer note 26]	250	-
(c)	Interest accrued on fixed deposits	15	91
(d)	Derivative financial instruments [Refer note 33(c)]	2	-
(e)	Recoverable from suppliers	26	12
Total		293	103

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11 Other non-current assets

	As at March 31, 2025	As at March 31, 2024
(a) Capital advances	99	33
(b) Taxes recoverable, statutory deposits and dues from government	24	8
(c) Prepaid expenses	1	1
(d) Employee benefits	-	0
Total	124	42

12 Other current assets

	As at March 31, 2025	As at March 31, 2024
(a) Advance to suppliers and contractors	10	6
(b) Taxes recoverable, statutory deposits and dues from government	784	608
(c) Prepaid expenses	51	17
(d) Others	1	-
Total	846	631

13 Inventories

(a) Accounting policy

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

(b) Inventories consist of the following:

	As at March 31, 2025	As at March 31, 2024
(a) Raw materials and components	126	125
(b) Work-in-progress	15	17
(c) Finished goods	67	99
(d) Stores and spare parts	26	9
(e) Consumable tools	2	1
(f) Goods-in-transit	33	26
Total	269	277

During the year ended March 31, 2025 and 2024, the Company recorded inventory write-down expenses of ₹ 2 crores and ₹ 1 crores, respectively in the statement of profit and loss.

Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2025 and 2024 amounted to ₹ 13,325 crores and ₹ 573 crores, respectively.

14 Trade receivables (Unsecured)

	As at March 31, 2025	As at March 31, 2024
Receivables considered good	311	105
Credit impaired receivables	3	3
	314	108
Less: Allowance for credit impaired receivables	(3)	(3)
Total	311	105

Allowance for trade receivables

	Year ended March 31, 2025	March 31, 2024
Balance at the beginning	3	-
Allowances made during the year	0	3
Balance at the end	3	3

15 Cash and cash equivalents

(a) Accounting policy

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

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

	As at March 31, 2025	As at March 31, 2024
(a) Cheques on hand	1	3
(b) Balances with banks	80	56
(c) Deposits with banks	125	210
Total	206	269

16 Other bank balances

	As at March 31, 2025	As at March 31, 2024
(a) Bank deposits	2,220	1,880
(b) Restricted deposits with Banks	-	2
Total	2,220	1,882

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17 Equity Share Capital

		(₹ in crores)		
		As at March 31, 2025	As at March 31, 2024	
(a) Authorised:				
1,50,00,00,000 Ordinary shares of ₹10 each		1,500	1,500	
(as at March 31, 2024: 1,50,00,00,000 Ordinary shares of ₹10 each)				
7,50,00,00,000 Compulsorily Convertible Preference Shares of ₹1,000 each		7,500	7,500	
(as at March 31, 2024: 7,50,00,00,000 Compulsorily Convertible Preference Shares of ₹1,000 each)				
Total		9,000	9,000	
(b) Issued, subscribed and paid up:				
70,00,00,000 Ordinary shares of ₹10 each		700	700	
(as at March 31, 2024: 70,00,00,000 Ordinary shares of ₹10 each)				
Total		700	700	
(c) The movement of number of shares and share capital				
	Year ended March 31, 2025		Year ended March 31, 2024	
	(Number of shares)	(₹ in crores)	(Number of shares)	(₹ in crores)
Ordinary shares				
Balance as at April 1	70,00,00,000	700	70,00,00,000	700
Balance as at March 31	70,00,00,000	700	70,00,00,000	700

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

	As at March 31,			
	2025		2024	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Ordinary shares :				
Tata Motors Limited	70,00,00,000	700	70,00,00,000	700

(e) Information regarding issue of shares in the last five years

- (a) The Company has not issued any shares without payment being received in cash.
(b) The Company has not issued any bonus shares.
(c) The Company has not undertaken any buy-back of shares.

(f) Disclosure of Shareholding of Promoters

Promoter name	As at March 31,			
	2025		2024	
	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
Ordinary shares :				
Tata Motors Limited	70,00,00,000	100.00%	70,00,00,000	100.00%

18 (A) Other components of equity

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

	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning	-	-
Gain recognised on cash flow hedges	0	-
Income tax relating to gain recognised on cash flow hedges	(0)	-
Balance at the end	0	-

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

	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning	-	-
Loss recognised on cash flow hedges	(0)	-
Income tax relating to loss recognised on cash flow hedges	0	-
Balance at the end	(0)	-

(c) Summary of Other components of equity:

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

(B) Notes to reserves

a) Retained earnings

Retained earnings are the profits that the Company has earned till date. Retained earnings includes re-measurement gain/(loss) on defined benefit obligations, net of taxes that will not be reclassified to Statement of profit and loss.

b) Capital reserve

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

c) Quasi equity

Quasi-equity refers to the success fee paid by Parent Company on behalf of the Company in connection with CCPS, without any cross-charging to the Company.

TATA PASSENGER ELECTRIC MOBILITY LIMITED
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19 Trade payables

		(₹ in crores)				
		As at March 31, 2025				
		Not due	Overdue			Total
			Up to 1 year*	1-2 years	More than 3 years	
(a) Outstanding dues of micro and small enterprises						
Undisputed dues		17	-	-	-	17
Total		17	-	-	-	17
(b) Outstanding dues other than micro and small enterprises						
Undisputed dues		1,832	1	1	-	1,834
Total		1,832	1	1	-	1,834
(c) Acceptances						
Undisputed dues		12	-	-	-	12
Total		12	-	-	-	12
Balance as at March 31, 2025		1,861	1	1	-	1,863

		(₹ in crores)				
		As at March 31, 2024				
		Not due	Overdue			Total
			Up to 1 year*	1-2 years	More than 3 years	
(a) Outstanding dues of micro and small enterprises						
Undisputed dues		7	0	-	-	7
Total		7	0	-	-	7
(b) Outstanding dues other than micro and small enterprises						
Undisputed dues		1,218	32	-	-	1,250
Total		1,218	32	-	-	1,250
(c) Acceptances						
Undisputed dues		13	-	-	-	13
Total		13	-	-	-	13
Balance as at March 31, 2024		1,238	32	-	-	1,270

*Includes interest

20 Other financial liabilities – current

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
(a) Liability for capital expenditure [Refer note below]		208	303
(b) Deposits and retention money		67	74
(c) Derivative financial instruments [Refer note 33(c)]		0	-
Total		275	377

Note :

Includes ₹ 7 crores (₹ 11 crores as at March 31, 2024) outstanding towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT, 2006.

21 Provisions

(a) Accounting policy

A provision is recognised if, because of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Product warranty expenses

The estimated liability for product warranties is recognised when products are sold or when new warranty programmes are initiated. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future warranty claims, customer goodwill and recall complaints. The timing of outflows will vary depending on when warranty claim will arise, being typically up to three years for vehicles and eight years for battery. The Company also has back-to-back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault.

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

The Company notes that changes in the automotive environment regarding the increasing impact of battery electric vehicles presents its own significant challenges, particularly due to the lack of maturity and historical data available at this time to help inform estimates for future warranty claims, as well as any associated recoveries from suppliers due to such claims. The related provisions are made with the Company's best estimate at this time to settle such obligations in the future but will be required to be continually refined as sufficient, real-world data becomes available. The discount on the warranty provision is calculated using a risk-free discount rate as the risks specific to the liability, such as inflation, are included in the base calculation. Estimates of the future costs of warranty actions are subject to numerous uncertainties, including the enactment of new laws and regulations, the number of vehicles affected by a service or recall action and the nature or final cost of the corrective action. Due to the uncertainty and potential volatility of the inputs to these assumptions, it is reasonably possible that the actual cost expenditure over an extended period of time could be materially different to the estimate in a range of amounts that cannot be reasonably estimated. The Company continues to monitor developments in global macroeconomic conditions and potential mitigation strategies, including the global tariff environment, and adjusts the provision if required.

Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on balance sheet date. Supplier reimbursements are recognised as separate asset – "Recoverable from Suppliers" under Other financial assets. (Refer Note 9 and Note 10)

(b) Provisions- non current

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
(a) Warranty		78	45
(b) Employee benefits obligations		24	18
Total		102	63

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(c) Provisions-current

	As at March 31, 2025	As at March 31, 2024
(a) Warranty	125	65
(b) Employee benefit obligations	1	0
Total	126	65

Note:

Warranty provision movement

	year ended March 31, 2025
Balance at the beginning	110
Provision made during the year	143
Provision used during the year	(54)
Impact of discounting	4
Balance at the end	203
Current	125
Non-Current	78

22 Income taxes

(a) Accounting policy

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

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

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

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

	Year ended March 31, 2025	Year ended March 31, 2024
Profit/(loss) before tax	97	(452)
Income tax expense at tax rates applicable to individual entities	25	(114)
Reduction in deferred tax expense on utilisation of unrecognised tax losses, tax credit or temporary difference of a prior period	(5)	(26)
Deferred tax assets not recognized as realisation is not probable	-	130
Others	(18)	12
Income Tax expense reported in statement of profit and loss	2	2

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

	Opening balance	Recognised in statement of profit and loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Unabsorbed depreciation	43	78	-	121
Business loss carry forwards	110	81	-	191
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	1	0	-	1
Compensated absences and retirement benefits	1	1	(0)	2
Lease liabilities	6	(1)	-	5
Total deferred tax assets	161	159	(0)	320
Deferred tax liabilities:				
Intangible assets	186	112	-	298
Property, plant and equipment	(32)	49	-	17
Right to use Assets	6	(2)	-	4
Others	1	(0)	0	1
Total deferred tax liabilities	161	159	0	320
Net Deferred tax assets / (liabilities)	-	(0)	(0)	-

As at March 31, 2025, unrecognised deferred tax assets of ₹125 crores (Gross value - ₹497 crores) pertains to business loss which can be carried forward up to a specified period. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future. These business losses would expire after March 31, 2030.

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

	Opening balance	Recognised in statement of profit and loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Unabsorbed depreciation	-	43	-	43
Business loss carry forwards	-	110	-	110
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	-	1	-	1
Compensated absences and retirement benefits	1	(1)	1	1
Property, plant and equipment	61	(29)	-	32
Total deferred tax assets	62	124	1	187
Deferred tax liabilities:				
Intangible assets	61	125	-	186
Others	1	(0)	-	1
Total deferred tax liabilities	62	125	-	187
Net Deferred tax assets / (liabilities)	-	(1)	1	-

As at March 31, 2024, unrecognised deferred tax assets of ₹129 crores (Gross value - ₹514 crores) pertains to business loss which can be carried forward up to a specified period. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

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23 Other non-current liabilities

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
(a) Contract liabilities (refer note below)	45	15
(b) Employee benefit obligations - Funded	1	1
(c) Liability for MOOWR*	34	10
Total	80	26

*Manufacturing and Other Operations in Warehouse Regulations.

24 Other current liabilities

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
(a) Contract liabilities (refer note below)	67	53
(b) Statutory dues (GST,VAT etc.)	45	64
(c) Others	4	1
Total	116	118

Note:

	(₹ in crores)	
	As at March 31, 2025	As at March 31, 2024
Contract liabilities		
Opening contract liabilities	68	3
Amount received in advance during the year	49	69
Revenue recognised during the year	(5)	(4)
Closing contract liabilities	112	68

		(₹ in crores)	
		As at March 31, 2025	As at March 31, 2024
Advances received from customers	Current	60	49
Deferred revenue	Current	7	3
	Non-current	45	16
		112	68

Performance obligations in respect of amount received in respect of future maintenance service and extended warranty will be fulfilled over a period of 5 years from year ending March 31, 2026 till March 31, 2030.

25 Revenue

(a) Accounting policy

The Company generates revenue principally from-

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

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

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

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

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

Income from sale of maintenance services and extended warranties are recognised as income.

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

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

Sales of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as a contract liability and recorded as revenue over a period of time, refer note 24(a) for ongoing performance obligations.

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

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
I Revenue from contracts with customers		
(a) Sale of products (refer note below)		
(i) Vehicles	14,050	9,620
(ii) Spare parts	262	130
(iii) Miscellaneous products	157	125
Total Sale of products	14,469	9,875
(b) Sale of services	104	47
Revenue	14,573	9,922
II Other operating revenues	17	9
Total	14,590	9,931
Note:		
Includes variable marketing expenses netted off against revenue	(481)	(246)

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26 Other income

(a) Accounting policy

Other income includes interest income from fixed deposits and inter-corporate deposits, government incentives (product linked incentives), profits from sale of investments in mutual fund and mark-to-market of investments in mutual funds.

Government grants are recognised when there is a reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. Government grants are recognised in the statement of profit and loss, either on a systematic basis 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 deferred 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 period in which the grant is received.

(b) Other income

(₹ in crores)		
	Year ended March 31, 2025	March 31, 2024
(a) Interest income on financial assets carried at amortised cost	248	402
(b) Government incentives (refer note below)	352	-
(c) Profit on sale of investments measured at FVTPL	53	21
(d) Market-to-market Investments measured at FVTPL	4	1
Total	657	424

Note: Tata Motors Limited (Parent Company or "TML") and the Company are approved as main applicant and co-applicant respectively under the Champion OEM Incentive Scheme under the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry. As per the Scheme guidelines, the incentive on consolidated eligible sales for the group will be received by TML being the main applicant and TML would subsequently transfer the share of the incentive to the Company on its eligible sales. During the year ended March 31, 2025, the Group has received claim approval for PLI for FY24 and accordingly the Company has recognized its share of income of **₹102 crores** as a government incentive. Further, the Company has also recognized an income of **₹250 crores** in respect of products for which certificate of satisfactory completion of Techno Commercial Audit ("TCA") has been received for the year ended March 31, 2025.

27 Employee benefit expenses

(₹ in crores)		
	Year ended March 31, 2025	March 31, 2024
(a) Salaries, wages and bonus	283	178
(b) Contribution to provident fund and other funds	12	10
(c) Staff welfare expenses	36	23
Total	331	211

Employee benefits

(a) Accounting policy

(i) Gratuity

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

(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 greater. The Company account for the liability for BKY benefits payable in the future based on an actuarial valuation.

(iii) Provident fund and family pension

In accordance with Indian law, eligible employees of the Company 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 respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

(iv) Post-retirement medicare scheme

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

(v) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

(vi) Remeasurement gains and losses

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

Actuarial gains and losses relating to long-term employee benefits are recognised in the statement of profit and loss in the period in which they arise.

(vii) Measurement date

The measurement date of retirement plans is March 31.

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

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

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(b) Employee benefits consists of the following:

(i) Defined Benefit Plan

Pension (Gratuity and BKY) and post retirement medicare scheme.

The following table sets out the funded and unfunded status and the amounts recognised in the financial statements for the pension and the post-retirement medical plans in respect of the Company:

	Pension Benefits		Post retirement medicare scheme	
	As at March 31,		As at March 31,	
	2025	2024	2025	2024
(₹ in crores)				
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	30	21	7	3
Defined benefit obligation of superannuation, beginning of the year	-	(1)	-	-
Current service cost	4	2	1	0
Interest cost	2	1	1	0
Remeasurements (gains) / losses				
Actuarial gain/(loss) arising from changes in demographic assumptions	(1)	0	(2)	0
Actuarial gain arising from changes in financial assumptions	2	1	0	1
Actuarial gain/(loss) arising from changes in experience adjustments	1	1	(0)	(0)
Transfer in/(out) of liability	2	4	0	1
Benefits paid from plan assets	(1)	(2)	-	-
Benefits paid directly by employer	-	-	(0)	-
Past service cost- plan amendments	-	3	2	2
Defined benefit obligation, end of the year	39	30	9	7
Change in plan assets:				
Fair value of plan assets, beginning of the year	25	19	-	-
Fair value of plan assets for superannuation, beginning of the year	-	(1)	-	-
Interest income	2	1	-	-
Return on plan assets, (excluding amount included in net interest expense)	1	1	-	-
Employer's contributions	4	4	-	-
Transfer in/(out) of liability	2	3	-	-
Benefits paid	(1)	(2)	-	-
Fair value of plan assets, end of the year	33	25	-	-
(₹ in crores)				
	Pension Benefits		Post retirement medicare scheme	
	As at March 31,		As at March 31,	
	2025	2024	2025	2024
Amount recognised in the balance sheet consists of				
Present value of defined benefit obligation	39	30	9	7
Fair value of plan assets	33	25	-	-
Net liability	(6)	(5)	(9)	(7)
Amounts in the balance sheet:				
Non-current assets	1	0	-	-
Non-current provisions	(7)	(5)	(9)	(7)
Non-current liabilities	(6)	(5)	(9)	(7)
Information for funded plans with a defined benefit obligation in excess of plan assets:				
(₹ in crores)				
	Pension Benefits			
	As at,		As at,	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Defined benefit obligation	-	-	-	-
Fair value of plan assets	-	-	-	-
Information for funded plans with a defined benefit obligation less than plan assets:				
(₹ in crores)				
	Pension Benefits			
	As at,		As at,	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Defined benefit obligation	32	25	-	-
Fair value of plan assets	33	25	-	-
Information for unfunded plans:				
(₹ in crores)				
	Pension Benefits		Post retirement medicare scheme	
	As at March 31,		As at March 31,	
	2025	2024	2025	2024
Defined benefit obligation	7	5	9	7
Net pension and post retirement medical cost consist of the following components:				
(₹ in crores)				
	Pension Benefits		Post retirement medicare scheme	
	Year ended March 31,		Year ended March 31,	
	2025	2024	2025	2024
Service cost	4	2	1	0
Net interest cost	0	0	1	0
Past service cost- plan amendments	-	3	2	2
Net periodic cost	4	5	4	2
Other changes in plan assets and benefit obligation recognised in other comprehensive income.				
(₹ in crores)				
	Pension Benefits		Post retirement medicare scheme	
	Year ended March 31,		Year ended March 31,	
	2025	2024	2025	2024
Remeasurements				
Return on plan assets, (excluding amount included in net interest expense)	(1)	(1)	-	-
Actuarial gain/(loss) arising from changes in demographic assumptions	(1)	0	(2)	0
Actuarial gain arising from changes in financial assumptions	2	1	0	1
Actuarial gain/(loss) arising from changes in experience adjustments on plan liabilities	1	1	(0)	(0)
Total recognised in other comprehensive income	1	1	(2)	1
Total recognised in statement of comprehensive income	5	6	2	3

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

	Pension Benefits		Post retirement medicare scheme	
	As at March 31,		As at March 31,	
	2025	2024	2025	2024
Discount rate	6.7%	7.0%	6.8%	7.0%
Rate of increase in compensation level of covered employees	6.0% - 10.0%	6.0% - 9.0%	NA	NA
Increase in health care cost	NA	NA	7.0%	7.0%

Plan assets

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

Asset category:	Pension Benefits	
	As at March 31,	
	2025	2024
Cash and cash equivalents	11.97%	7.32%
Debt instruments (quoted)	65.75%	69.63%
Debt instruments (unquoted)	0.00%	0.00%
Equity instruments (quoted)	11.56%	11.43%
Deposits with insurance companies	10.72%	11.62%
	100.0%	100.0%

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

The weighted average duration of the defined benefit obligation as at March 31, 2025 is **11.46** years (March 31, 2024 : 9.74 years).

The Company expects to contribute **₹2** crores to the funded pension plans in the year ending March 31, 2026.

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

Assumption	Change in assumption	Impact on defined benefit obligation	Impact on service cost and interest cost
Discount rate	Increase by 1%	Decrease by ₹6 crores	Decrease by ₹2 crores
	Decrease by 1%	Increase by ₹7 crores	Increase by ₹2 crores
Salary escalation rate	Increase by 1%	Increase by ₹4 crores	Increase by ₹1 crores
	Decrease by 1%	Decrease by ₹3 crores	Decrease by ₹1 crores
Health care cost	Increase by 1%	Increase by ₹3 crores	Increase by ₹1 crores
	Decrease by 1%	Decrease by ₹2 crores	Decrease by ₹1 crores

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

	(₹ in crores)	
	As at: March 31, 2025	As at: March 31, 2024
Superannuation	0	1
Provident Fund	7	5
Family Pension	2	2
Total	9	8

28 Finance costs

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
(a) Interest on lease liabilities	3	2
Interest - Others	9	3
	12	5
(b) Discounting charges	2	5
Total	14	10

29 Other expenses

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
(a) Power and fuel	85	70
(b) Publicity	283	296
(c) Warranty expenses ^A	125	106
(d) Information Technology/Computer expenses	82	40
(e) Works operation and other expenses (note below)	492	296
Total	1,067	808
^A Net of estimated recovery from suppliers	(22)	(22)

Note:

Works operation and other expenses includes:

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
Auditors' Remuneration (excluding GST)		
(i) Audit Fees	4	4
(ii) Tax Audit	0	0
(iii) Other Services	1	0
(iv) Reimbursement of travelling and out-of-pocket expenses	1	0

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Corporate Social Responsibility (CSR) expenditure

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
Amount required to be spent by the Company during the year	NIL	NIL
Amount of expenditure incurred on:		
(i) Construction/acquisition of any assets	-	-
(ii) On purposes other than (i) above	0	-
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA

30 Amount transferred to capital and other accounts

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
(a) Capital work in progress	(4)	(3)
(b) Intangible asset under development	(33)	(24)
(c) Product development/Engineering expenses	(41)	(43)
Total	(78)	(70)

	(₹ in crores)	
	Year ended March 31, 2025	March 31, 2024
(a) Product development costs capitalised	642	554
(b) Product development costs expensed	499	534
Total Product Development cost incurred	1,141	1,088

31 Commitments and contingencies

Contingent Liability

The Contingent Liability of the Company as at March 31, 2025 ₹ Nil (₹ Nil as at March 31, 2024)

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature amounting to ₹ 562 crores as at March 31, 2025 (₹510 crores as at March 31, 2024), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of a capital nature amounting to ₹ 289 crores as at March 31, 2025, (₹220 crores as at March 31, 2024), which are yet to be executed.

32 Earnings/(loss) per Share ("EPS")

(a) Accounting policy

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be antidilutive.

		Year ended	
		March 31, 2025	March 31, 2024
(a) Profit / (Loss) after tax	₹ crores	95	(454)
(b) Adjustment for loss on mandatorily convertible instrument	₹ crores	(84)	-
(c) Share of profit / (loss) for Ordinary shares for Basic EPS	₹ crores	11	(454)
(d) Ordinary shares for Basic EPS	Nos.	700,000,000	700,000,000
(e) Adjustment for mandatorily convertible instrument	Nos.	121,024,951	-
(f) The weighted average number of Ordinary shares for Basic EPS	Nos.	821,024,951	700,000,000
(g) The nominal value per share (Ordinary)	₹	10.00	10.00
(h) Earnings Per Ordinary share (Basic)	₹	0.13	(6.48)
(i) Profit/(loss) after tax for Diluted EPS	₹ crores	11	(454)
(j) The weighted average number of Ordinary shares for Diluted EPS	Nos.	821,024,951	700,000,000
(k) Share of profit/(loss) for Ordinary shares for Diluted EPS	₹ crores	11	(454)
(l) Earnings Per Ordinary share (Diluted)	₹	0.13	(6.48)

33 Financial instruments

(a) Accounting policy

i) Recognition: -

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

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

Initial measurement

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

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

Classification and measurement – financial assets

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

Financial assets are classified into three categories

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

Dividends from these equity investments are recognised in the statement of profit and loss when the right to receive payment has been established. When the equity investment is derecognised, the cumulative gain or loss in equity is transferred to retained earnings.

Financial assets at fair value through other comprehensive income (Debt Instruments): Financial assets having contractual terms that give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows as well as to sell the financial asset, are classified in this category. Subsequently, these are measured at fair value, with unrealised gains or losses being recognised in other comprehensive income apart from any expected credit losses or foreign exchange gains or losses, which are recognised in profit or loss.

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

Classification and measurement – financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL: A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compulsory Convertible Preference Shares –Financial Instruments:

Instruments which are settled by exchange of a fixed number of the Company's own equity instrument are classified as equity.

The Company recognises separately the components of a compound financial instrument that creates a financial liability of the Company and grants an option to the holder of the instrument to convert it into an equity instrument of the Company. The initial carrying amount of a compound financial instrument is allocated to its equity and liability components, with the equity component being assigned the residual amount after deducting from the fair value of the instrument, as a whole the amount separately determined for the liability component. The liability component which represents the non-discretionary coupons payable on such instruments is measured at amortised cost with interest expense being recognised in profit or loss.

Financial instruments that include a contractual obligation to deliver cash or another financial asset or require the issuer to deliver a variable number of its own equity instruments are classified as liability instruments. These are measured at fair value through profit or loss.

Financial guarantee contracts: These are initially measured at their fair values and, are subsequently measured at the higher of the amount of loss allowance determined or the amount initially recognised less, the cumulative amount of income recognised.

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

II) Determination of fair value:

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

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

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

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

III) Derecognition of financial assets and financial liabilities:

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

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

iv) Impairment of financial assets:

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

iv) Hedge accounting:

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

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

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

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

For forwards, the time value are not considered part of the hedge. These are treated as cost of hedge and the changes in fair value attributable to forward premium is recognised in the other comprehensive income along with the changes in fair value determined to be effective portion of the hedge. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Amounts accumulated in equity are reclassified to the statement of profit and loss in the periods in which the forecast transactions affect profit or loss or as an adjustment to a non-financial item (e.g. inventory) when that item is recognised on the balance sheet. These deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of goods sold). For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.

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

(b) Disclosures on financial instruments

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

(a) Financial assets and liabilities

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

(₹ in crores)						
Financial assets	Cash and other financial assets at amortised cost	Investments - FVTPL	Derivatives other than in hedging relationship (at fair value through profit or loss)	Derivatives in hedging relationship (at fair value through profit or loss)	Total carrying value	Total fair value
(a) Investments	-	1,150	-	-	1,150	1,150
(b) Trade receivables	311	-	-	-	311	311
(c) Cash and cash equivalents	206	-	-	-	206	206
(d) Other bank balances	2,220	-	-	-	2,220	2,220
(e) Other financial assets	319	-	2	0	321	321
Total	3,056	1,150	2	0	4,208	4,208

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(₹ in crores)						
Financial liabilities	Other financial liabilities (at fair value)	Other financial liabilities (at amortised cost)	Derivatives other than in hedging relationship (at fair value through profit or loss)	Derivatives in hedging relationship (at fair value through profit or loss)	Total carrying value	Total fair value
(a) Lease liabilities	-	19	-	-	19	19
(b) Trade payables (including acceptances)	-	1,863	-	-	1,863	1,863
(c) Compulsorily Convertible Preference Share	2,464	-	-	-	2,464	2,464
(d) Other financial liabilities	-	275	0	-	275	275
Total	2,464	2,157	0	-	4,621	4,621

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

(₹ in crores)				
Financial assets	Cash and other financial assets at amortised cost	Investments - FVTPL	Total carrying value	Total fair value
(a) Investments	33	327	360	360
(b) Trade receivables	105	-	105	105
(c) Cash and cash equivalents	269	-	269	269
(d) Other bank balances	1,882	-	1,882	1,882
(e) Loans	2,197	-	2,197	2,197
(f) Other financial assets	123	-	123	123
Total	4,609	327	4,936	4,936

(₹ in crores)				
Financial liabilities	Other financial liabilities (at fair value)	Other financial liabilities (at amortised cost)	Total carrying value	Total fair value
(a) Lease liabilities	-	25	25	25
(b) Trade payables (including acceptances)	-	1,270	1,270	1,270
(c) Compulsorily Convertible Preference Share	2,548	-	2,548	2,548
(d) Other financial liabilities	-	377	377	377
Total	2,548	1,672	4,220	4,220

Fair Value Hierarchy

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

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

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

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

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

Financial Instruments are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.

(₹ in crores)				
	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	1,150	-	-	1,150
(b) Derivative assets	-	2	-	2
Total	1,150	2	-	1,152
Financial liabilities measured at fair value				
(a) Compulsorily Convertible Preference Share*	-	-	2,464	2,464
(b) Derivative liabilities	-	0	-	0
Total	-	0	2,464	2,464

(₹ in crores)				
	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments	360	-	-	360
Total	360	-	-	360
Financial liabilities measured at fair value				
Compulsorily Convertible Preference Share*	-	-	2,548	2,548
Total	-	-	2,548	2,548

* Valuation of Compulsory Convertible Preference Share (CCPS) classified as financial liability, was carried out by the management using combination of Monte Carlo simulation approach which is a statistical technique that is used to simulate equity value of the Company and projected Cashflow discounted using risk free interest rate prevailing on the date of valuation. Since significant unobservable inputs are applied in measuring the fair value, financial liability is classified as Level 3.

(b) Offsetting :

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

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

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

(₹ in crores)						
	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral (received/pledged)	
Financial assets						
(a)Trade receivables	994	(683)	311	-	-	311
(b)Derivative assets	2	-	2	(0)	-	2
Total	996	(683)	313	(0)	-	313
Financial liabilities						
(a)Trade payables	2,534	(671)	1,863	-	-	1,863
(a)Contract liabilities	124	(12)	112	-	-	112
(b)Derivative liabilities	0	-	0	(0)	-	-
Total	2,658	(683)	1,975	(0)	-	1,975

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

March 6, 2022

(₹ in crores)

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral (received/pledged)	
Financial assets						
Trade receivables	484	(379)	105	-	-	105
Total	484	(379)	105	-	-	105
Financial liabilities						
Trade payables	1,649	(379)	1,270	-	-	1,270
Total	1,649	(379)	1,270	-	-	1,270

(c) Financial risk management:

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and statement of cash flows where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, Chinese Yuan, Euro and GBP against the respective functional currencies of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of exports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of each currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10% while keeping the other variables as constant.

The exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in (iv) derivative financial instruments and risk management below.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2025:

					(₹ in crores)
	U.S. dollar	Euro	Chinese Yuan	GBP	Total
Financial liabilities	6	5	-	71	82

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) and equity before tax by approximately ₹8 crores for financial liabilities respectively for the year ended March 31, 2025.

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

					(₹ in crores)
	U.S. dollar	Euro	Chinese Yuan	GBP	Total
Financial liabilities	59	13	5	88	165

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) and equity before tax by approximately ₹17 crores for financial liabilities respectively for the year ended March 31, 2024.

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

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(ii) Credit risk

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

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as fair value through profit and loss, trade receivables, loans and advances and derivative financial instruments. The Company strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial condition. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 4,208 crores and ₹ 4,936 crores as at March 31, 2025 and 2024, respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, inter-corporate deposits and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

The Company's cash equivalents, including short term deposits with banks, are not past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2025, and March 31, 2024, that defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

The ageing of trade receivables as of balance sheet date is given below. The age analysis has been considered from the due date.

		(₹ in crores)													
Trade receivables		As at March 31,													
		2025							2024						
		Overdue							Overdue						
		Not due	Up to 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	Not due	Up to 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed															
(a)	Considered good	285	23	-	3	-	-	311	10	95	0	-	-	-	105
(b)	Which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Credit impaired	-	-	-	3	-	-	3	-	3	-	-	-	-	3
Disputed															
(a)	Considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Credit impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		285	23	-	6	-	-	314	10	98	0	-	-	-	108
Less: Allowance for credit impaired balances		(3)							(3)						
Total		311							105						

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(iii) Liquidity risk

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

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides undiscounted contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2025:

(₹ in crores)						
Financial liabilities	Carrying amount	Due in 1 st Year	Due in 2 nd Year	Due in 3 rd to 5 th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables (including acceptances)	1,863	1,863	-	-	-	1,863
(b) Other financial liabilities	275	275	-	-	-	275
(c) Lease liabilities	19	10	7	6	-	23
Total	2,158	2,148	7	6	-	2,161

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

(₹ in crores)						
Financial liabilities	Carrying amount	Due in 1 st Year	Due in 2 nd Year	Due in 3 rd to 5 th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables (including acceptances)	1,270	1,270	-	-	-	1,270
(b) Other financial liabilities	377	377	-	-	-	377
(c) Lease liabilities	25	11	9	10	-	30
Total	1,672	1,658	9	10	-	1,677

The financial liability of ₹ 2,464 crores and ₹ 2,548 crores payable as at March 31, 2025 and 2024, respectively to TPG Rise is expected to be converted into variable equity shares hence it is presented as financial liability. The Company does not expect any cash outflow from this transaction in future.

(iv) Derivative financial instruments and risk management

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

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

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

The fair value of derivative financial instruments is as follows:

(₹ in crores)		
	As at March 31, 2025	As at March 31, 2024
(a) Foreign currency forward exchange contracts and options	0	-
(b) Commodity Derivatives	2	-
Total	2	-

The gain/(loss) due to fluctuation in foreign currency exchange rates on derivative contracts, recognised in the income statement was ₹Nil and ₹ Nil for the years ended March 31, 2025 and 2024, respectively.

(v) Commodity Risk

The Company is exposed to commodity price risk arising from the purchase of certain raw materials such as aluminium, copper, platinum and palladium. This risk is mitigated through the use of derivative contracts and fixed-price contracts with suppliers. The derivative contracts are not hedge accounted under Ind AS 109 but are instead measured at fair value through profit or loss.

The (gain)/loss on commodity derivative contracts, recognised in the statement of profit and loss was ₹1 crores and ₹Nil crores for the years ended March 31, 2025 and 2024, respectively.

34 Related-party transactions

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

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

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

(₹ in crores)						
	Parent Company	Subsidiaries	Fellow Subsidiaries	Parent Company's		Total
				Joint Arrangements	Associates	
(A) Transactions						
Purchase of property, plant and equipment	16	-	28	-	23	67
Purchase of products	3	-	5,741	1,894	979	8,617
Sale of products	318	-	6,321	23	-	6,662
Services received (including reimbursements)	133	207	728	0	19	1,087
Services rendered (including reimbursements)	8	-	101	-	-	109
Sale of investments in a subsidiary company	-	44	-	-	-	44
Finance given (including loans and equity)	1,642	55	-	-	-	1,697
Finance given, taken back (including loans)	3,839	-	-	-	-	3,839
Interest expense	-	-	-	0	-	0
Interest income	122	-	-	0	-	122
(B) Balances						
Trade receivables	-	-	311	-	0	311
Trade payables	18	50	61	65	136	330

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The following table summarizes related-party transactions for the year ended / as at March 31, 2024:

				Parent Company's		(₹ In crores)
	Parent Company	Subsidiaries	Fellow Subsidiaries	Joint Arrangements	Associates	Total
(A) Transactions						
Purchase of property, plant and equipment	20	-	87	-	39	146
Purchase of products	0	-	6,010	2,842	73	8,925
Sale of products	337	-	610	1	-	948
Services received (including reimbursements)	247	261	529	-	24	1,061
Services rendered (including reimbursements)	7	-	50	-	-	57
Bills discounted	-	-	12	-	-	12
Finance given (including loans and equity)	2,527	-	-	-	-	2,527
Finance given, taken back (including loans)	2,389	-	-	-	-	2,389
Borrowings towards lease liability	-	-	12	-	-	12
Repayment towards lease liability	0	-	-	-	-	0
Interest expense	-	-	0	0	-	0
Interest income	146	-	-	-	-	146
(B) Balances						
Amount receivable in respect of loans	2,197	-	-	-	-	2,197
Amount payable in respect of lease liability	-	-	6	-	-	6
Trade receivables	-	-	24	-	-	24
Trade payables	18	45	341	118	41	563

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

Details of significant transactions are given below (more than 10% of total transaction value with related parties).				(₹ in crores)
Name of Related Party		Nature of relationship	Year ended March 31, 2025	Year ended March 31, 2024
i) Purchase of property, plant and equipment				
Tata Motors Limited		Parent Company	16	20
Tata Technologies Limited		Fellow Subsidiary	28	66
Tata AutoComp Systems Limited		Subsidiary of Associate of Parent Company	10	-
TACO Prestolite Electric Private Limited		Subsidiary of Associate of Parent Company	7	27
ii) Purchase of products				
Tata Motors Passenger Vehicles Limited		Fellow Subsidiary	5,741	6,010
Fiat India Automobiles Private Limited		Joint Arrangement of Parent Company	1,894	2,842
iii) Sale of products				
Tata Motors Passenger Vehicles Limited		Fellow Subsidiary	6,321	610
Tata Motors Limited		Parent Company	318	337
iv) Services received				
Tata Motors Limited		Parent Company	133	247
Tata Motors Design Tech Centre PLC [formerly known as, Tata Motors European Technical Centre Plc, (UK)]		Subsidiary	190	227
Jaguar Land Rover Limited		Fellow Subsidiary	176	-
Tata Motors Passenger Vehicles Limited		Fellow Subsidiary	457	425
v) Services rendered				
Tata Motors Limited		Parent Company	8	7
Tata Motors Passenger Vehicles Limited		Fellow Subsidiary	101	50
vi) Sale of investment in a subsidiary company				
Tata Motors Design Tech Centre PLC [formerly known as, Tata Motors European Technical Centre Plc, (UK)]		Subsidiary	44	-
vii) Bill discounted				
Tata Motors Finance Limited		Fellow Subsidiary	-	12
viii) Finance given (including loans and equity)				
Tata Motors Limited		Parent Company	1,642	2,527
Tata Motors Design Tech Centre PLC [formerly known as, Tata Motors European Technical Centre Plc, (UK)]		Subsidiary	55	-
ix) Finance given, taken back (including loans and equity)				
Tata Motors Limited		Parent Company	3,839	2,389
x) Borrowings towards lease liability				
TMF Business Services Limited		Fellow Subsidiary	-	12
xi) Repayment towards lease liability				
Tata Motors Limited		Parent Company	-	0
xii) Interest expense				
TMF Business Services Limited		Fellow Subsidiary	-	0
Tata Motors Finance Limited		Fellow Subsidiary	-	0
Fiat India Automobiles Private Limited		Joint Arrangement of Parent Company	0	-
xiii) Interest income				
Tata Motors Limited		Parent Company	122	146

Compensation of key management personnel:

		(₹ in crores)	
		Year ended	
		March 31, 2025	March 31, 2024
Short-term benefits		10	9
Post-employment benefits*		0	0
Employees stock option plan		3	3

The compensation of Managing Director is ₹7 crores and ₹6 crores for the period ended March 31, 2025 and 2024, respectively. The share based payment accrual is ₹2 crores and ₹2 crores for the period ended March 31, 2025 and 2024, respectively.

* Provisions for contribution to gratuity, leave encashment and other defined benefit are determined by actuary on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information. The amount is disclosed only at the time of payment.

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

Amount of loans / advances in nature of loans outstanding from Holding Company:

		(₹ in crores)	
		Outstanding as at March 31, 2025/ March 31, 2024	Maximum amount outstanding during the year 2025/ 2024
Name of the Company			
Holding Company:			
Tata Motors Limited (Inter corporate deposit utilised for working capital finance)		-	2,212
		2,197	2,355

36 Transactions with struck off companies

There were no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at March 31, 2025 and March 31, 2024.

37 Ratio

Sr No	Particulars	Year ended March 31,		Change	Reason for change
		2025	2024		
a)	Debt Equity Ratio (number of times) [Total Debt ⁽ⁱ⁾ / Shareholders' Equity ⁽ⁱⁱ⁾]	Not Applicable	Not Applicable	-	
b)	Debt Service Coverage Ratio (number of times) [(Profit/(loss) before exceptional items and tax+Interest on Borrowings)/(Interest on Borrowings + Repayment of Borrowings ⁽ⁱⁱⁱ⁾)]	Not Applicable	Not Applicable	-	
c)	Current ratio (number of times) [Current assets / Current liabilities]	2.22	3.18	(30.19%)	Due to increase in trade payables.
d)	Trade receivable turnover (number of times) [Revenue from operations / Average Trade receivables]	70.18	188.89	(62.85%)	Due to increase in average trade receivables.
e)	Inventory turnover (number of times) [Raw material consumed ^(v) / average inventory ^(vi)]	47.93	66.09	(27.48%)	Due to increase in material consumption with constant inventory.
f)	Trade payable turnover (number of times) [Cost of material consumed ^(viii) / Average Trade payables]	8.33	12.05	(30.93%)	Due to increase in average trade payables.
g)	Net working capital turnover (number of times) [Revenue from operations / Working capital ^(iv)]	5.02	2.47	103.21%	Due to increase in revenue and reduction in working capital.
h)	Net profit margin (%) [Net profit after tax / Revenue from operations]	0.65%	-4.56%	(114.24%)	Due to improved performance.
i)	Return on equity (number of times) [Net profit after tax / Average shareholders' equity]	0.02	(0.09)	(121.55%)	Due to improved performance.
j)	Return on capital employed (number of times) [Profit before interest and tax / Capital employed ^(vii)]	0.02	(0.09)	(124.95%)	Due to improved performance.
k)	Return on investments (number of times) [Income from investments ^(ix) / Average Investments]	0.08	0.09	(13.61%)	

Notes :

- i. Total debts includes long term borrowings, short term borrowings and current maturity.
- ii. Equity = Equity share capital + Other equity
- iii. Repayment of borrowings includes repayment of long-term borrowings, proceeds from short-term borrowings, repayment of short-term borrowings and net change in other short-term borrowings (with maturity up to three months).
- iv. Working capital = Current assets (excluding Assets classified as held for sale) - Current liabilities (excluding current maturities of long term borrowings, interest accrued on borrowings and liabilities directly associated with assets classified as held for sale).
- v. Raw material consumed includes Cost of materials consumed, Purchases of products for sale and Changes in inventories of finished goods, work-in-progress and products for sale.
- vi. Inventory includes Raw materials and components, Work-in-progress, Finished goods, Stores and spare parts, Consumable tools and Goods-in-transit - Raw materials and components.
- vii. Capital employed includes Shareholders' Equity, long term borrowings, short term borrowings and current maturity.
- viii. Includes Cost of material consumed and Purchases of products for sale.
- ix. Income from investments comprises of interest income on fixed deposits and inter-corporate deposit, also includes profit on sale and mark to market on investments.

38 Other statutory information :

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

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39 Other notes:

1) **Details of dues to Micro, Small and Medium Enterprises Development Act, 2006**

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

		(₹ in crores)	
Particulars		As at March 31, 2025	As at March 31, 2024
(a)	Amounts outstanding but not due (including capital creditors) as at March 31, 2025	24	18
(b)	Amounts due but unpaid as at March 31, 2025	-	-
(c)	Amounts paid after appointed date during the year	-	-
(d)	Amount of interest accrued and unpaid as at March 31, 2025	10	15
(e)	Amount of estimated interest due and payable for the period from April 1, 2025 to actual date of payment or May 5, 2025 (whichever is earlier)	0	0
		-	-

2) Current period figures are shown in bold prints.

3) In accordance with the Rule 6 of The Companies (Account) Rules, 2014, as the holding Company, i.e. Tata Motors Limited, files its consolidated financial statement with the Registrar of Companies which are prepared in accordance with Ind AS as notified under the companies (Indian Accounting standards) rules, 2015 read with Section 133 of The Companies Act, 2013, Tata Passenger Electric Mobility Limited is not required to prepare its consolidated financial statements for the year ended March 31, 2025.

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

For and on behalf of the Board

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

P B BALAJI [DIN: 02762983]
Director

SHAILESH CHANDRA [DIN: 07593905]
Managing Director

RISHABH KUMAR
Partner
Membership No.402877

DHIMAN GUPTA
Chief Financial Officer

KAYNAZ SARBHANWALA [ACS: 34947]
Company Secretary

Place- Mumbai
Date: May 5, 2025

Place- Mumbai
Date: May 5, 2025