

Tata Motors Body Solutions Limited
(Formerly known as Tata Marcopolo Motors Limited)
Financial Statements for year ended March 31, 2023
Along with Independent Auditors Report

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited")

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited") (the "Company") which comprise the balance sheet as at 31 March 2023, 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 a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, 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.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (*Continued*)

Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited")

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/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

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.

Independent Auditor's Report (*Continued*)

Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited")

- 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.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the 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 has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 31 to the financial statements.
 - 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 their knowledge and belief, other than as disclosed in the Note 37 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

Independent Auditor's Report (Continued)

Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited")

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 their knowledge and belief, other than as disclosed in the Note 37 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 performed 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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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Kalpesh Khandelwal

Partner

Place: Pune

Date: 02 May 2023

Membership No.: 133124

ICAI UDIN:23133124BGYBBK1076

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited") for the year ended 31 March 2023

(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) The Company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee except for factory building). Factory building have been built on the land taken on sub-lease basis from the holding company, for which holding company is in process of obtaining the necessary permission from the office of Factories Inspectorate. Pending the necessary approvals, the Company is yet to enter into an sub lease agreement with holding company for factory building.
- (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 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. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (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 made any investments, provided any guarantee or security or granted advances in the nature of loans, secured or unsecured, to the Companies, firms, limited liability partnerships or any other parties during the year. The Company has granted unsecured loans to its employees during the year, 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 unsecured loans to the employees as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited") for the year ended 31 March 2023 (Continued)

Particulars	Loans (INR. in crores)
Aggregate amount during the year - Employees	1.78
Balance outstanding as at balance sheet date - Employees	1.29

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the grant of unsecured employee loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (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. 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, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans 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, 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.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of during the 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 amounts deducted / accrued in the books of account in respect of undisputed statutory dues including We draw attention to Note 31 to the financial statement which fully explains the matter regarding non-payment of provident fund contribution pursuant to Supreme Court judgement

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited") for the year ended 31 March 2023 (Continued)

dated 28 February 2019.

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 were in arrears as at for a period of more than six months from the date they became We draw attention to Note 31 to the financial statement which fully explains the matter regarding non-payment of provident fund contribution pursuant to Supreme Court judgement dated 28 February 2019.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (in INR crores)	Amount paid under protest (in INR crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise laws	Excise duty and penalty	29.33	0.85	April 2008 to June 2017	CESTAT, Bangalore
Finance Act, 1994	Service Tax-CENVAT	1.33	0.05	December 2008 to October 2012	CESTAT, Bangalore
CST Act, 1956	Central Sales tax	-	0.01	2017-18	Joint Commissioner (Appeals)
Uttar Pradesh Value Added Tax, 2007	Value added tax	0.47	0.41	2007-08 & 2008-09	Commercial Taxes Tribunal, Uttar Pradesh
Uttar Pradesh Value Added Tax, 2007	Value added tax	0.46	0.09	2009-10	Commissioner of Commercial Tax (Appeals)
Uttar Pradesh Value Added Tax, 2007	Value added tax	0.31	0.15	2010-11, 2011-12	Joint Commissioner (Appeals)

- (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

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited") for the year ended 31 March 2023 (Continued)

- of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. 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 balance sheet of the Company, as at 31 March 2023 we report that the funds raised on short term basis of Rs.141.83 crores have been used for long term investment.
 - (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
 - (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.
- (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) Based on 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 course of the audit.
 - (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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (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.
- (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

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited") for the year ended 31 March 2023 (Continued)

- 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 explanation given to us by the management, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has five 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 incurred cash losses of Rs 7.33 crores in the current financial year and Rs 75.21 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, other information accompanying the financial statements, 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

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Kalpesh Khandelwal

Partner

Place: Pune

Date: 02 May 2023

Membership No.: 133124

ICAI UDIN:23133124BGYBBK1076

Annexure B to the Independent Auditor's Report on the financial statements of Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited") for the year ended 31 March 2023

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 Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited") ("the Company") as of 31 March 2023 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 2023, 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.

Annexure B to the Independent Auditor's Report on the financial statements of Tata Motors Body Solutions Limited (Formerly known as "Tata Marcopolo Motors Limited") for the year ended 31 March 2023 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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Kalpesh Khandelwal

Partner

Place: Pune

Date: 02 May 2023

Membership No.: 133124

ICAI UDIN:23133124BGYBBK1076

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
Balance Sheet

(₹ in crores)

	Notes	As at March 31,	
		2023	2022
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3(b)	156.50	149.01
(b) Capital work-in-progress	3(c)	5.61	5.55
(c) Right of use assets	4 (c)	20.80	8.62
(d) Other intangible assets	5 (b)	5.66	3.76
(e) Intangible assets under development	5 (c)	4.04	10.49
(f) Financial assets			
(i) Loans and advances	6	0.55	-
(ii) Other financial assets	8	6.15	3.48
(g) Non-current tax assets (net)		18.64	8.32
(h) Other non-current assets	10	1.73	10.41
		219.68	199.64
(2) CURRENT ASSETS			
(a) Inventories	12	68.70	61.02
(b) Financial assets			
(i) Trade receivables	13	126.71	85.39
(ii) Cash and cash equivalents	14	34.73	6.73
(iii) Loans and advances	7	1.00	0.11
(iv) Other financial assets	9	0.05	0.01
(c) Other current assets	11	24.10	23.55
		255.29	176.81
TOTAL ASSETS		474.97	376.45
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	218.39	218.39
(b) Other equity	16	(209.11)	(183.59)
		9.28	34.80
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	17	36.05	39.04
(ii) Lease liabilities		16.78	6.63
(b) Provisions	21(b)	12.01	10.50
(c) Other non-current liabilities	23	0.16	-
		65.00	56.17
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	143.40	128.57
(ii) Lease liabilities		5.42	2.53
(iii) Trade payables	19		
(a) Total outstanding dues of micro and small enterprises		39.77	23.01
(b) Total outstanding dues of creditors other than micro and small enterprises		101.77	72.95
(iv) Acceptances		58.03	42.49
(v) Other financial liabilities	20	6.11	4.27
(b) Provisions	21(c)	1.88	1.94
(c) Other current liabilities	24	44.31	9.72
		400.69	285.48
TOTAL EQUITY AND LIABILITIES		474.97	376.45

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

KALPESH RAMESHCHANDRA
RAMESHCHANDRA
DRA
KHANDELWAL
Date: 2023.05.02
23:43:43 +05'30'

KALPESH KHANDELWAL

Partner

Membership No. 133124

UDIN-23133124BGYBBK1076

Place-Pune

SMRITI GOYAL
Digitally signed by SMRITI GOYAL
Date: 2023.05.02
23:01:54 +05'30'

SMRITI GOYAL

Director

DIN: 08488684

Place: Mumbai

Rohit Srivastava
Digitally signed by Rohit Srivastava
Date: 2023.05.02
23:02:05 +05'30'

ROHIT SRIVASTAVA

Director

DIN: 07910693

Place: Mumbai

ASHOKKUMAR BHOLANATH KOYARI
Digitally signed by ASHOKKUMAR BHOLANATH KOYARI
Date: 2023.05.02 23:14:22 +05'30'

A B KOYARI

Company Secretary

ACS: 15825

Place: Ghaziabad

LAXMIPRASAD PRADYUMNA JAHAGIRDAR
Digitally signed by LAXMIPRASAD PRADYUMNA JAHAGIRDAR
Date: 2023.05.02 23:25:58 +05'30'

LAXMIPRASAD JAHAGIRDAR

Manager & Chief Executive Officer

Place: Dharwad

KAUSHIK ROY
Digitally signed by KAUSHIK ROY
Date: 2023.05.02
23:02:36 +05'30'

KAUSHIK ROY

Chief Financial Officer

Place: Dharwad

Date: May 02, 2023

Date: May 02, 2023

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
Statement of Profit and Loss

(₹ in crores)

	Notes	Year ended March 31,	
		2023	2022
Revenue from operations			
Revenue		774.60	413.40
Other operating revenue		6.93	0.31
I. Total revenue from operations	25 (b)	<u>781.53</u>	<u>413.71</u>
II. Other Income	26 (b)	<u>3.27</u>	<u>4.22</u>
III. Total Income (I+II)		<u>784.80</u>	<u>417.93</u>
IV. Expenses			
(a) Cost of materials consumed		520.95	309.25
(b) Changes in inventories of finished goods, work-in-progress and products for sale		1.30	(11.12)
(c) Employee benefits expense	27	103.90	93.39
(d) Finance costs	28	16.99	13.76
(e) Foreign exchange loss (net)		0.20	0.08
(f) Depreciation and amortisation expense		17.23	17.05
(g) Other expenses	29	151.53	90.27
(h) Amount transferred to capital and other accounts	30	(2.74)	(2.50)
Total Expenses (IV)		<u>809.36</u>	<u>510.19</u>
V. Profit/(loss) before tax (III-IV)		<u>(24.56)</u>	<u>(92.26)</u>
VI. Tax expense (net)			
(a) Current tax		-	-
(b) Deferred tax		0.32	(0.28)
Total tax expense		<u>0.32</u>	<u>(0.28)</u>
VII. Profit/(loss) for the year (V-VI)		<u>(24.88)</u>	<u>(91.98)</u>
VIII. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit and loss:			
Remeasurement (losses)/gain on defined benefit obligations (net)		(0.96)	1.12
(ii) Income tax credit/(expense) relating to items that will not be reclassified to profit and loss		0.32	-
Total other comprehensive income/(loss), net of taxes		<u>(0.64)</u>	<u>0.84</u>
IX. Total comprehensive income/(loss) for the year (VII+VIII)		<u>(25.52)</u>	<u>(91.14)</u>
X. Earnings/(loss) per share (EPS)	32		
Ordinary shares (face value of ₹ 10 each) :			
(i) Basic		₹ (1.14)	₹ (4.89)
(ii) Diluted		₹ (1.14)	₹ (4.89)

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

Digitally signed by KALPESH RAMESHCHANDR A KHANDELWAL
Date: 2023.05.02 23:45:12 +05'30'

KALPESH KHANDELWAL
Partner
Membership No. 133124
UDIN-23133124BGYBBK1076
Place-Pune

Digitally signed by SMRITI GOYAL
Date: 2023.05.02 23:03:29 +05'30'

SMRITI GOYAL
Director
DIN: 08488684
Place: Mumbai

Digitally signed by Rohit Srivastava
Date: 2023.05.02 23:03:47 +05'30'

Rohit Srivastava

ROHIT SRIVASTAVA
Director
DIN: 07910693
Place: Mumbai

Digitally signed by ASHOKKUMAR BHOLANATH KOYARI
Date: 2023.05.02 23:13:05 +05'30'

A B KOYARI
Company Secretary
ACS: 15825
Place: Ghaziabad

Digitally signed by LAXMIPRASAD PRADYUMNA JAHAGIRDAR
Date: 2023.05.02 23:33:21 +05'30'

LAXMIPRASAD JAHAGIRDAR
Manager & Chief Executive Officer
Place: Dharwad

Digitally signed by KAUSHIK ROY
Date: 2023.05.02 23:03:06 +05'30'

KAUSHIK ROY
Chief Financial Officer
Place: Dharwad

Date: May 02, 2023

Date: May 02, 2023

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
Cash Flow Statement

(₹ in crores)

	Year ended March 31,	
	2023	2022
Cash flows from operating activities:		
Profit/(loss) for the year	(24.88)	(91.98)
Adjustments for:		
Depreciation and amortisation expense	17.23	17.05
Other income	-	(3.51)
Inventory write down	1.44	-
Tax expense (net)	0.32	(0.28)
Finance costs	16.99	13.76
Interest income	(0.87)	(0.71)
	35.11	26.31
Cash flows from operating activities before changes in following assets and liabilities	10.23	(65.67)
Trade receivables	(41.32)	21.81
Loans and advances	(4.11)	0.22
Other current and non-current assets	(0.64)	(9.84)
Inventories	(9.11)	(17.62)
Trade payables and acceptances	59.40	27.69
Other current and non-current liabilities	34.74	1.66
Other financial liabilities	0.22	0.06
Provisions	0.48	4.09
Cash generated from/(used in) operations	49.89	(37.61)
Income taxes paid (net)	(10.32)	(2.83)
Net cash from/(used in) operating activities	39.57	(40.44)
Cash flows from investing activities:		
Payments for property, plant and equipments	(8.56)	(4.55)
Payments for other intangible assets	2.94	(2.50)
Interest received	0.83	0.70
Net cash used in investing activities	(4.79)	(6.35)
Proceeds from issue of equity share	-	75.00
Repayment of lease liabilities (including interest)	(3.29)	(3.42)
Proceeds from short-term borrowings	-	20.43
Repayment of short-term borrowings	(0.17)	-
Proceeds from long-term borrowings	-	15.87
Repayment of long-term borrowings	(3.57)	(12.65)
Receipt/(Repayment) of inter corporate deposits (net)	15.00	(30.00)
Interest paid [including discounting charges paid, ₹ 3.05 crores (March 31, 2022 ₹1.44 crores)]	(14.75)	(12.86)
Net cash from/(used in) financing activities	(6.78)	52.37
Net increase/(decrease) in cash and cash equivalents	28.00	5.58
Cash and cash equivalents as at April 1, (opening balance)	6.73	1.14
Cash and cash equivalents as at March 31, (closing balance)	34.73	6.73
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit	4.93	1.88

In terms of our report attached

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

KALPESH RAMESHCHANDR
RAMESHCHANDR
NDRA A KHANDELWAL
KHANDELWAL
Date: 2023.05.02
23:46:23 +05'30'

KALPESH KHANDELWAL
Partner
Membership No. 133124
UDIN-23133124BGYBBK1076
Place-Pune

SMRITI GOYAL
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SMRITI GOYAL
Date: 2023.05.02
23:05:00 +05'30'

SMRITI GOYAL
Director
DIN: 08488684
Place: Mumbai

Rohit Srivastava
Digitally signed by
Rohit Srivastava
Date: 2023.05.02
23:04:11 +05'30'

ROHIT SRIVASTAVA
Director
DIN: 07910693
Place: Mumbai

ASHOKKUMAR BHOLANATH KOYARI
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ASHOKKUMAR
BHOLANATH KOYARI
Date: 2023.05.02 23:11:55
+05'30'

A B KOYARI
Company Secretary
ACS: 15825
Place: Ghaziabad

LAXMIPRASAD PRADYUMNA JAHAGIRDAR
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LAXMIPRASAD PRADYUMNA
JAHAGIRDAR
Date: 2023.05.02 23:24:03
+05'30'

LAXMIPRASAD JAHAGIRDAR
Manager & Chief Executive Officer
Place: Dharwad

KAUSHIK ROY
Digitally signed by
KAUSHIK ROY
Date: 2023.05.02
23:04:37 +05'30'

KAUSHIK ROY
Chief Financial Officer
Place: Dharwad

Date: May 02, 2023

Date: May 02, 2023

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

	(₹ in crores)
Particulars	
Balance as at April 1, 2021	170.00
Proceeds from issue of shares	48.39
Balance as at March 31, 2022	218.39
Balance as at April 1, 2022	218.39
Proceeds from issue of shares	-
Balance as at March 31, 2023	218.39

B. Other Equity

	(₹ in crores)		
Particulars	Securities Premium	Retained earnings	Total other equity
Balance as at April 1, 2022	26.61	(210.20)	(183.59)
Profit/ (Loss) for the year	-	(24.88)	(24.88)
Other comprehensive income/(loss) for the year	-	(0.64)	(0.64)
Total comprehensive income/(loss) for the year	-	(25.52)	(25.52)
Balance as at March 31, 2023	26.61	(235.72)	(209.11)
Balance as at April 1, 2021	-	(119.06)	(119.06)
Loss for the period	-	(91.98)	(91.98)
Other comprehensive income/(loss) for the period	-	0.84	0.84
Total comprehensive income/(loss) for the period	-	(91.14)	(91.14)
Securities premium on shares issued during the period	26.61	-	26.61
Balance as at March 31, 2022	26.61	(210.20)	(183.59)

See accompanying notes to financial statements

For and on behalf of the Board

In terms of our report attached

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

KALPESH RAMESHCHANDRA KHANDELWAL
Digitally signed by KALPESH RAMESHCHANDRA KHANDELWAL
Date: 2023.05.02 23:47:46 +05'30'

KALPESH KHANDELWAL
Partner
Membership No. 133124
UDIN-23133124BGYBBK1076
Place-Pune

SMRITI GOYAL
Digitally signed by SMRITI GOYAL
Date: 2023.05.02 23:05:29 +05'30'

SMRITI GOYAL
Director
DIN: 08488684
Place: Mumbai

Rohit Srivastava
Digitally signed by Rohit Srivastava
Date: 2023.05.02 23:05:59 +05'30'

ROHIT SRIVASTAVA
Director
DIN: 07910693
Place: Mumbai

ASHOKKUMAR BHOLANATH KOYARI
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Date: 2023.05.02 23:10:59 +05'30'

A B KOYARI
Company Secretary
ACS: 15825
Place: Ghaziabad

LAXMIPRASAD PRADYUMNA JAHAGIRDAR
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Date: 2023.05.02 23:24:54 +05'30'

LAXMIPRASAD JAHAGIRDAR
Manager & Chief Executive Officer
Place: Dharwad

KAUSHI K ROY
Digitally signed by KAUSHI K ROY
Date: 2023.05.02 23:06:31 +05'30'

KAUSHI K ROY
Chief Financial Officer
Place: Dharwad

Date: May 02, 2023

Date: May 02, 2023

1. Background and operations

Tata Motors Body Solutions Limited (Formerly Known As "Tata Marcopolo Motors Limited") referred to as ("the Company") manufactures bodies of buses, tipper trucks, mobile dispensing units and spareparts. The bus bodies are built on the chassis received mainly from Tata Motors Limited. The bus body built on the chassis are sold mainly to Tata Motors Limited as fully built motor vehicle.

The Company is a public limited Company incorporated and domiciled in India and has its registered office at 24 Homi Mody street, Mumbai, Maharashtra, India. The Company is wholly owned subsidiary of Tata Motors Limited (TML) with effect from August 27, 2022. TML directly, holds 100% equity shares in the Company.

These standalone financial statements were approved by the Board of Directors and authorised for issue on May 2, 2023.

2. Significant accounting policies

a. Statement of compliance

These financial statements have been 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 (the "Act").

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. 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.

c. Going concern

These financial statements have been prepared on a going concern basis. The management has assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of these financial statements. Based on this evaluation, Management believes that the Company will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these financial statements based on the following:

- i) Expected future operating cash flows based on business projections, and
- ii) Available undrawn credit facilities with Tata Motors Limited (the Holding Company) of ₹ 85 crs; and
- iii) Available undrawn credit facilities with its bankers of ₹ 40.00 crs and financial institution of ₹ 62.47 crs
- iv) Committed equity investment of ₹ 50.00 crs from Holding Company

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

Based on the evaluation described above, 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 at least September 30, 2024.

d. 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 and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the period presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- i) Note 3 and Note 5 - Property, plant and equipment and Intangible assets- useful life and impairment
- ii) Note 22 - Recoverability/recognition of deferred tax assets
- iii) Note 24 - Provision for product warranty
- iv) Note 27- Assets and obligations relating to employee benefits

e. 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.

f. 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 lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, 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.

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.

g. 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 or Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

h. Segments

The Company is engaged in the business of manufacture of Motor bodies of buses, tipper trucks, mobile dispensing units and spareparts. This in the context of Indian Accounting Standard 108 (Ind As 108) Operating Segments is considered to constitute a single operating segment.

The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to the

i. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2023, as below:

i. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

ii. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

iii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is assessing the impact of these changes and will accordingly incorporate the same for the financial statements for the year ending March 31, 2024.

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF 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 these 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.

Interest cost incurred for constructed assets 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.

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

Estimated useful lives of assets are as follows:

<u>Type of Asset</u>	<u>Estimated useful life (years)</u>
Buildings	28 to 60 years
Plant, machinery and equipment	4 to 20 years
Computers and other IT assets	6 years
Vehicles	4 years
Furniture and fixtures	15 years
Office equipment	5 years
Water system and sanitation	20 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 statement of profit or loss.

(b) Property, plant and equipment

(₹ in crores)

	<u>Owned assets</u>							<u>Total</u>
	<u>Buildings</u>	<u>Plant, machinery and equipments</u>	<u>Water system and sanitations</u>	<u>Office equipment's</u>	<u>Furniture and fixtures</u>	<u>Vehicles</u>	<u>Computers & other IT assets</u>	
Cost as at April 1, 2022	154.18	187.84	0.35	0.39	2.11	0.31	11.50	356.68
Additions	1.43	17.35	-	-	0.02	-	1.36	20.16
Cost as at March 31, 2023	<u>155.61</u>	<u>205.19</u>	<u>0.35</u>	<u>0.39</u>	<u>2.13</u>	<u>0.31</u>	<u>12.86</u>	<u>376.84</u>
Accumulated depreciation as at April 1, 2022	(54.02)	(142.53)	(0.11)	(0.37)	(1.52)	(0.29)	(8.83)	(207.67)
Depreciation for the year	(4.70)	(7.16)	-	-	(0.04)	-	(0.77)	(12.67)
Accumulated depreciation as at March 31, 2023	<u>(58.72)</u>	<u>(149.69)</u>	<u>(0.11)</u>	<u>(0.37)</u>	<u>(1.56)</u>	<u>(0.29)</u>	<u>(9.60)</u>	<u>(220.34)</u>
Net carrying amount as at March 31, 2023	<u>96.89</u>	<u>55.50</u>	<u>0.24</u>	<u>0.02</u>	<u>0.57</u>	<u>0.02</u>	<u>3.26</u>	<u>156.50</u>
Cost as at April 1, 2021	154.14	185.37	0.35	0.39	2.11	0.31	9.95	352.62
Additions	0.04	2.47	-	-	-	-	1.55	4.06
Cost as at March 31, 2022	<u>154.18</u>	<u>187.84</u>	<u>0.35</u>	<u>0.39</u>	<u>2.11</u>	<u>0.31</u>	<u>11.50</u>	<u>356.68</u>
Accumulated depreciation as at March 31, 2022	(49.23)	(136.08)	(0.09)	(0.36)	(1.39)	(0.29)	(8.12)	(195.56)
Depreciation for the year	(4.79)	(6.45)	(0.02)	(0.01)	(0.13)	-	(0.71)	(12.11)
Accumulated depreciation as at March 31, 2022	<u>(54.02)</u>	<u>(142.53)</u>	<u>(0.11)</u>	<u>(0.37)</u>	<u>(1.52)</u>	<u>(0.29)</u>	<u>(8.83)</u>	<u>(207.67)</u>
Net carrying amount as at March 31, 2022	<u>100.16</u>	<u>45.31</u>	<u>0.24</u>	<u>0.02</u>	<u>0.59</u>	<u>0.02</u>	<u>2.67</u>	<u>149.01</u>

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
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3.	Property, plant and equipment (Continued)	(₹ in crores)	
	(c) Capital work-in-progress	For the year ended March 31,	
		<u>2023</u>	<u>2022</u>
	Balance at the beginning	5.55	4.66
	Additions	20.33	5.01
	Capitalised during the year	(20.16)	(4.06)
	Write off / Provision	(0.11)	(0.06)
	Balance at the end	<u><u>5.61</u></u>	<u><u>5.55</u></u>

(d) Ageing of Capital work-in-progress

	<u>As at March 31, 2023</u>				
	<u>Up to 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	<u>Total</u>
Projects in progress	5.32	0.29	-	-	5.61
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023	<u><u>5.32</u></u>	<u><u>0.29</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>5.61</u></u>

	<u>As at March 31, 2022</u>				
	<u>Up to 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	<u>Total</u>
Projects in progress	2.40	1.64	1.49	0.02	5.55
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022	<u><u>2.40</u></u>	<u><u>1.64</u></u>	<u><u>1.49</u></u>	<u><u>0.02</u></u>	<u><u>5.55</u></u>

There are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original Plan as at March 31, 2023 and 2022

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.

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
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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:

- i) 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 substitution right, then the asset is not identified;
- ii) The Company has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and
- iii) 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
 - 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, Ind AS 116 permits a lessee not to separate non-lease components, and instead account 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 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 include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Company also recognises a right of use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs.

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 crore) are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

- (b)** The Company leases a number of buildings, plant and equipment, 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. The Company's leases mature between 2022 and 2037.

When measuring lease liability, the Group discounted lease payments using its incremental borrowing rate at April 1, 2020. The weighted average rate applied is 8.25 %. (2021: 8.58 %)

The following amounts are included in the Balance Sheet :

(₹ in crores)

	As at March 31,	
	2023	2022
Current lease liabilities	5.42	2.53
Non-current lease liabilities	16.78	6.63
Total lease liabilities	22.20	9.16

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

	Year ended March 31,	
	2023	2022
Interest expense on lease liabilities	1.20	0.79
Variable lease payment not included in the measurement of lease liabilities	0.32	-

(c) Leases

	Land	Buildings	Plant, machinery and equipments	Tools	Total
Cost as at April 1, 2022	9.15	3.10	4.73	2.14	19.12
Additions	5.98	9.15	-	-	15.13
Disposals/adjustments	(1.95)	(3.10)	(3.87)	-	(8.92)
Cost as at March 31, 2023	13.18	9.15	0.86	2.14	25.33
Accumulated amortisation as at April 1, 2022	(3.75)	(2.72)	(3.38)	(0.65)	(10.50)
Amortisation for the year	(1.14)	(0.74)	(1.07)	-	(2.95)
Disposal/adjustments	1.95	3.10	3.87	-	8.92
Accumulated amortisation as at March 31, 2023	(2.94)	(0.36)	(0.58)	(0.65)	(4.53)
Net carrying amount as at March 31, 2023	10.24	8.79	0.28	1.49	20.80
Cost as at April 1, 2021	9.15	3.10	4.73	2.14	19.12
Cost as at March 31, 2022	9.15	3.10	4.73	2.14	19.12
Accumulated amortisation as at April 1, 2021	(2.50)	(1.81)	(2.18)	(0.54)	(7.03)
Amortisation for the year	(1.25)	(0.91)	(1.20)	(0.11)	(3.47)
Accumulated amortisation as at March 31, 2022	(3.75)	(2.72)	(3.38)	(0.65)	(10.50)
Net carrying amount as at March 31, 2022	5.40	0.38	1.35	1.49	8.62

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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:

	<u>Estimated amortisation period</u>
Software	4 Years
Product development	3 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 bus bodies and tipper trucks 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 profit or loss.

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
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5. Other Intangible assets (Continued)

(b) Other Intangible assets

	(₹ in crores)		
	Computer Software	Product development	Total
Cost as at April 1, 2022	12.06	62.09	74.15
Additions	-	3.51	3.51
Cost as at March 31, 2023	12.06	65.60	77.66
Accumulated amortisation as at April 1, 2022	(11.80)	(58.59)	(70.39)
Amortisation for the year	(0.16)	(1.45)	(1.61)
Accumulated amortisation as at March 31, 2023	(11.96)	(60.04)	(72.00)
Net carrying amount as at March 31, 2023	<u>0.10</u>	<u>5.56</u>	<u>5.66</u>
Cost as at April 1, 2021	12.06	62.09	74.15
Cost as at March 31, 2022	12.06	62.09	74.15
Accumulated amortisation as at April 1, 2021	(11.55)	(57.36)	(68.91)
Amortisation for the year	(0.25)	(1.23)	(1.48)
Accumulated amortisation as at March 31, 2022	(11.80)	(58.59)	(70.39)
Net carrying amount as at March 31, 2022	<u>0.26</u>	<u>3.50</u>	<u>3.76</u>

(c) Intangible assets under development

	For the year ended March 31,	
	2023	2022
Balance at the beginning	10.49	7.99
Additions	3.50	2.68
Capitalised during the year	(3.51)	-
Write off/Provision for impairment	(6.44)	(0.18)
Balance at the end	<u>4.04</u>	<u>10.49</u>

(d) Ageing of intangible assets under development

	As at March 31, 2023				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.09	1.87	1.08	-	4.04
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023	<u>1.09</u>	<u>1.87</u>	<u>1.08</u>	<u>-</u>	<u>4.04</u>
	As at March 31, 2022				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2.68	1.29	-	-	3.97
Projects temporarily suspended	-	-	-	6.52	6.52
As at March 31, 2022	<u>2.68</u>	<u>1.29</u>	<u>-</u>	<u>6.52</u>	<u>10.49</u>

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

There are no projects related to intangible assets under development where cost and time overrun has exceeded original plan as at March 31, 2023

	As at March 31, 2022				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	-	-	-	-	-
Project Temporarily suspended	-	6.52	-	-	6.52
	<u>-</u>	<u>6.52</u>	<u>-</u>	<u>-</u>	<u>6.52</u>

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.

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
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		(₹ in crores)	
		As at March 31,	
		<u>2023</u>	<u>2022</u>
6. Loans and advances- non current			
	Unsecured :		
	Loans to employees-Considered Good	0.55	-
	Total	<u>0.55</u>	<u>-</u>
7. Loans and advances- current			
	Unsecured :		
	Loans to employees-Considered Good	1.00	0.11
	Total	<u>1.00</u>	<u>0.11</u>
8. Other financial assets - non-current			
		As at March 31,	
		<u>2023</u>	<u>2022</u>
	(a) Government incentives	5.21	2.54
	(b) Security deposits	0.94	0.94
	Total	<u>6.15</u>	<u>3.48</u>
9. Other financial assets - current			
		As at March 31,	
		<u>2023</u>	<u>2022</u>
	Interest accrued on loans and deposits	0.05	0.01
	Total	<u>0.05</u>	<u>0.01</u>
10. Other non-current assets			
		As at March 31,	
		<u>2023</u>	<u>2022</u>
	(a) Capital advances	0.12	8.74
	(b) Taxes recoverable, statutory deposits and dues from government	1.23	1.23
	(c) Prepaid expenses	0.38	0.44
	Total	<u>1.73</u>	<u>10.41</u>
11. Other current assets			
		As at March 31,	
		<u>2023</u>	<u>2022</u>
	(a) Advance to suppliers and contractors	1.60	1.07
	(b) Taxes recoverable, statutory deposits and dues from government	19.68	19.68
	(c) Prepaid expenses	2.82	2.80
	Total	<u>24.10</u>	<u>23.55</u>

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

12. Inventories

(₹ in crores)

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

(b) Inventories

	As at March 31,	
	2023	2022
(a) Raw materials and components	42.29	34.06
(b) Work-in-progress	19.84	21.91
(c) Finished goods	1.16	0.44
(d) Stores and spare parts	4.49	4.17
(e) Consumable tools	0.35	0.27
(f) Goods-in-transit - Raw materials and components	0.57	0.17
Total	68.70	61.02

During the year ended March 31, 2023 and 2022, the Company recorded inventory write-down expenses of ₹ 1.44 crores and ₹ 1.71 crores, respectively.

13. Trade receivables (unsecured)

	As at March 31,	
	2023	2022
Receivables considered good	126.71	85.39
	126.71	85.39

14. Cash and cash equivalents

(a) Accounting policy

Cash and cash equivalents comprises cash on hand, 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

	As at March 31,	
	2023	2022
(i) Cash on hand*	-	-
(ii) Balances with banks	24.73	6.73
(iii) Deposits with banks	10.00	-
	34.73	6.73

* Less than ₹ 50,000 /-

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
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		(₹ in crores)	
		As at March 31,	
		2023	2022
15. Equity Share Capital			
(a) Authorised:			
25,50,00,000 Equity shares of ₹10 each		255.00	255.00
(as at March 31, 2022: 25,50,00,000 Equity shares of ₹10 each)			
Total		255.00	255.00
(b) Issued:			
21,83,87,096 Equity shares of ₹10 each		218.39	218.39
(as at March 31, 2022: 21,83,87,096 Equity shares of ₹10 each)			
Total		218.39	218.39
(c) Subscribed and paid up:			
21,83,87,096 Equity shares of ₹10 each		218.39	218.39
(as at March 31, 2022: 21,83,87,096 Equity shares of ₹10 each)			
		218.39	218.39
(d) The movement of number of shares and share capital			
	Year ended March 31, 2023	Year ended March 31, 2022	
	(No. of shares)	(₹ in crores)	(No. of shares)
(i) Ordinary shares			
Balance as at April 1	21,83,87,096	218.39	21,83,87,096
			218.39
Balance as at March 31	21,83,87,096	218.39	21,83,87,096
			218.39
(e) Number of shares held by each shareholder holding more than 5 percent of the issued share capital :			
	Year ended March 31, 2023	Year ended March 31, 2022	
	(No. of shares)	(₹ in crores)	(No. of shares)
Ordinary shares :			
(a) Tata Motors Limited (Holding company)	21,83,87,096	218.39	13,50,87,096
(b) Marcopolo S. A., Brazil (Non-resident shareholder)	-	-	8,33,00,000
			135.09
			83.30
(f) Disclosure of Shareholding of Promoters			
	Period ended March 31, 2023	Period ended March 31, 2022	
	(No. of shares)	% of Issued Share Capital	(No. of shares)
			% of Issued Share Capital
Promoter name			
(a) Tata Motors Limited (Holding company)	21,83,87,096	100%	13,50,87,096
(b) Marcopolo S. A., Brazil (Non-resident shareholder)	-	-	8,33,00,000
			61.86%
			38.14%
(g) Information regarding issue of shares in the last five years			
The Company became a wholly owned subsidiary of Tata Motors Limited (TML) with effect from August 29, 2022. TML directly, holds 100% equity shares in the Company. The Company has issued only one class of equity shares having a par value of ₹10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. Distribution will be in proportion of equity shares held by the shareholders.			
16. (A) Notes to reserves			
a) Securities premium			
The amount received in excess of face value of the equity shares is recognised in Securities Premium.			
b) Retained earnings			
Retained earnings are the profits that the Company has earned till date, add/(less) any transfers from/(to) general reserve, securities premium and debenture redemption reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement gain/(loss) on defined benefit obligations, net of taxes that will not be reclassified to Profit and Loss.			
17. Long-term borrowings		As at March 31,	
		2023	2022
Secured:			
Term loans:			
(a) Term loan from bank		11.61	15.18
(b) Karnataka VAT loan		24.44	23.86
Total		36.05	39.04
18. Short-term borrowings		As at March 31,	
		2023	2022
Secured:			
(a) Current maturities of long-term borrowings		3.57	3.57
Unsecured:			
(a) Bills discounting facilities from financial institution		124.83	125.00
(b) Inter corporate deposits from holding company		15.00	-
		143.40	128.57

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Information regarding long-term borrowings

(i) **Details of security provided in respect of secured long term borrowings:**

Term loan from HDFC bank amounting to Rs. 25 crores is repayable in 28 equal quarterly instalments over a period of 7 years. The loan is at an interest rate of HDFC Bank's six month marginal cost of funds based lending rate (MCLR) plus 80 bps. The term loan is secured by pari passu first charge on plant and machinery.

(ii) **Details of terms of repayment for Karnataka VAT loan:**

The term loan of ₹ 40.99 crores (recorded in books at ₹ 24.46 crores) is for the period of 18 years from start of production & due for repayment after 15 years for each disbursement, along with simple interest at the rate of 0.10% p.a. The loan is secured by bank guarantee for the due performance of the conditions as per the terms of agreement.

(iii) The bill discounting facility with RXIL is unsecured and interest rate varies from **7.30% to 8.50%**. (March 31, 2022-5% to 8.5%)

(iv) Inter-corporate deposits from holding company are unsecured bearing interest rate at **8.05%**. (March 31, 2022-6.5%)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Short-term borrowings	Long-term borrowings*	Total
Balance at April 1, 2021	134.57	51.11	185.68
Proceeds from issuance of debt	211.03	15.87	226.90
Repayment of Financing	(220.61)	(12.65)	(233.26)
Adjustment related to fair valuation of Karnataka VAT loan	-	(11.73)	(11.73)
Balance at March 31, 2022	125.00	42.61	167.61
Balance at April 1, 2022	125.00	42.61	167.61
Proceeds from issuance of debt	320.90	-	320.90
Repayment of Financing	(306.07)	(3.57)	(309.64)
Adjustment related to fair valuation of Karnataka VAT loan	-	0.60	0.60
Balance at March 31, 2023	139.83	39.64	179.47

*includes current maturities of long-term borrowings

19. Trade payables

		As at March 31, 2023					Total
		Overdue					
		Not due	Up to 1 year	1-2 years	2-3 years	More than 3 years	
(₹ in crores)							
Outstanding dues of micro and small enterprises							
(a) Disputed dues		-	-	-	-	-	-
(b) Undisputed dues		39.77	-	-	-	-	39.77
Total		39.77	-	-	-	-	39.77
Outstanding dues of creditors other than micro and small enterprises							
(a) Disputed dues		-	-	-	-	-	-
(b) Undisputed dues		69.83	31.93	-	-	-	101.77
Total		69.83	31.93	-	-	-	101.77
Balance as at March 31, 2023		109.61	31.93	-	-	-	141.54
(₹ in crores)							
		As at March 31, 2022					Total
		Overdue					
		Not due	Up to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises							
(a) Disputed dues		-	-	-	-	-	-
(b) Undisputed dues		23.00	0.01	-	-	-	23.01
Total		23.00	0.01	-	-	-	23.01
Outstanding dues of creditors other than micro and small enterprises							
(a) Disputed dues		-	-	-	-	-	-
(b) Undisputed dues		57.21	14.57	0.64	0.49	0.04	72.95
Total		57.21	14.57	0.64	0.49	0.04	72.95
Balance as at March 31, 2022		80.21	14.58	0.64	0.49	0.04	95.96

20. Other financial liabilities – current

		(₹ in crores)	
		As at March 31,	
		2023	2022
(a) Liability for capital expenditure (refer note below)		4.74	2.00
(b) Deposits and retention money		0.65	0.67
(c) Interest payable to MSMED Vendors		-	1.16
(d) Interest Accrued but not due		0.72	0.44
		6.11	4.27

Note:

Includes ₹ 1.52 crores (₹0.54 crores as at March 31, 2022) outstanding towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT 2006.

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21. Provisions

(a) Accounting policy

A provision is recognised if, as a result 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 one to two years.

(b) Provisions-non current

(i) Employee benefits obligations
Total

(₹ in crores)	
As at March 31,	
2023	2022
12.01	10.50
12.01	10.50

(c) Provisions-current

(i) Warranty
(ii) Employee benefits obligations
Total

As at March 31,	
2023	2022
1.75	1.56
0.13	0.38
1.88	1.94

Note

Warranty provision movement

	<u>Warranty</u>
Balance at the beginning	1.56
Provision/(reversal) made during the year	1.25
Provision used during the year	<u>(1.06)</u>
Balance at the end	<u>1.75</u>
Current	<u>1.75</u>

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

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 and unused tax credits 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:

	(₹ in crores)	
	Year ended March 31,	
	2023	2022
Profit/(loss) before tax	(24.56)	(92.26)
Income tax expense at tax rates applicable to individual entities	(6.19)	(23.22)
Items (net) not deductible for tax/not liable to tax		
Deferred tax assets not recognised as realisation is not probable	6.51	23.07
Others	-	(0.13)
Income tax expense reported in statement of profit and loss	0.32	(0.28)

(c) Significant components of deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

	Opening balance	Recognised in profit and loss	Recognised in/reclassifie d from OCI	Closing balance
Deferred tax assets:				
Unabsorbed depreciation	12.14	4.31		16.45
Compensated absences and retirement benefits	2.86	(0.39)	0.32	2.79
Lease liability	2.27	(1.65)		0.62
Total deferred tax assets	17.27	2.27	0.32	19.86
Deferred tax liabilities :				
Property, plant and equipment	14.63	4.28	-	18.91
Intangible assets	2.64	(1.68)	-	0.96
Total deferred tax liabilities	17.27	2.59	-	19.86
Net Deferred tax assets / (liabilities)	-	(0.32)	0.32	-

As at March 31, 2023, unrecognised deferred tax assets amount to ₹ 25.68 crores and ₹ 0.41 crores which can be carried forward indefinitely and up to a specified period, respectively. These relate primarily to depreciation carry forwards and other deductible temporary difference. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

As at March 31, 2023, based on the year of origination, unrecognised deferred tax assets of ₹ 0.41 crores relating to business losses expire after March 31, 2028

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

22. Income taxes (Continued)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

	Opening balance	Recognised in profit and loss	Recognised in/reclassified from OCI	Closing balance
(₹ in crores)				
Deferred tax assets:				
Unabsorbed depreciation	13.21	(1.07)	-	12.14
Compensated absences and retirement benefits	0.68	2.46	(0.28)	2.86
Lease liability	3.21	(0.94)	-	2.27
Total deferred tax assets	<u>17.10</u>	<u>0.45</u>	<u>(0.28)</u>	<u>17.27</u>
Deferred tax liabilities :				
Property, plant and equipment	15.09	(0.46)	-	14.63
Intangible assets	2.01	0.63	-	2.64
Total deferred tax liabilities	<u>17.10</u>	<u>0.17</u>	<u>-</u>	<u>17.27</u>
Net Deferred tax assets / (liabilities)	<u>-</u>	<u>0.28</u>	<u>(0.28)</u>	<u>-</u>

23. Other non-current liabilities

	As at March 31,	
	<u>2023</u>	<u>2022</u>
(a) Employee Benefit Obligations - Funded	<u>0.16</u>	-
Total	<u><u>0.16</u></u>	<u>-</u>

24. Other current liabilities

	As at March 31,	
	<u>2023</u>	<u>2022</u>
(a) Contract liabilities (note (a) below)	<u>41.89</u>	6.88
(b) Statutory dues (GST, Property Tax, TDS, TCS etc)	<u>1.94</u>	1.91
(c) Others	<u>0.48</u>	0.93
Total	<u><u>44.31</u></u>	<u>9.72</u>

Note:

	As at March 31,	
	<u>2023</u>	<u>2022</u>
(a) Contract liabilities		
Opening contract liabilities	6.88	5.23
Amount recognised in revenue	(6.88)	(5.23)
Amount received in advance during the year	41.89	6.88
Amount refunded to customers	-	-
Closing contract liabilities	<u>41.89</u>	<u>6.88</u>
	As at March 31,	
	<u>2023</u>	<u>2022</u>
Advances received from customers	<u>41.89</u>	6.88
Current	<u>41.89</u>	<u>6.88</u>

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

26. Revenue recognition

(a) Accounting policy

The Company generates revenue principally from-

i) Sale of products

The Company recognises revenues on the sale of products measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation, when products are delivered to dealers or when delivered to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer. 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.

Revenues are recognised when collectability of the resulting receivable is reasonably assured.

ii) Sale of services

The Company recognises revenues on sale of services upon completion of jobs executed for the customer at contracted rates. Sale of products and services is presented net of indirect taxes.

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 when service is rendered to customers.

25. (b) Revenue From Operations

	(₹ in crores)	
	Year ended March 31,	
	2023	2022
(a) Sale of products		
(i) Bus bodies	723.61	386.86
(ii) Spare parts	19.21	10.59
(iii) Miscellaneous products	-	5.76
Total Sale of products	742.82	403.21
(b) Sale of services	31.78	10.19
Revenue	774.60	413.40
(c) Other operating revenues	6.93	0.31
Total	781.53	413.71

26. Other income

(a) Accounting policy

Government Grants and Incentives

Other income includes other recurring and non-recurring incentives from Government (referred as "incentives").

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.

Interest Income

The Company recognises interest income from a financial asset when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest Income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

(b) Other income

	Year ended March 31,	
	2023	2022
(a) Interest income	0.87	0.71
(b) Government incentives	2.40	1.46
(c) Liabilities no longer required written back	-	2.05
Total	3.27	4.22

(₹ in crores)

27. Employee benefits expense

	Year ended March 31,	
	2023	2022
(a) Salaries, wages and bonus	87.26	78.01
(b) Contribution to provident fund and other funds	4.99	5.67
(c) Staff welfare expenses	11.65	9.71
	103.90	93.39

(a) Accounting policy

The employee transferred from the group companies have been considered under continuity of service from employee benefit perspective.

(i) Gratuity

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

(ii) Bhavishya kalyan yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of the Company. The benefits of the plan include pension in certain cases, payable up to the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50% of the basic salary or 30% of total fixed pay at the time of death or accident or a specified amount, whichever is greater. The Company also pays the child education assistance for the deceased members children. The Company account for the liability for BKY benefits payable in the future based on an independent actuarial valuation. The Company accounts 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, were made to the provident fund and pension fund set up as an irrevocable trust or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The interest rate, payable to the members of the trust, was not to be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, was made good by the Company. The embedded interest rate guarantee is considered to be defined benefit.

The provident fund trust set up by Tata Motors Limited (the "Company") has lost its exempt status w.e.f. April 1, 2022, due to incurrence of losses for three consecutive years by the Company, as per its standalone financial statements prepared in accordance with Indian Accounting Standards. Accordingly, the Company has surrendered this exemption and transferred the assets and obligations of the trust to the government managed provident fund. With this transfer of assets and obligations, the Company will no longer be obligated to provide any interest rate guarantee and accordingly, the provident fund is considered as a defined contribution scheme from April 1, 2022.

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

27. Employee benefits expenses (Continued)

(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 accounts 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

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")

NOTES FORMING PART OF FINANCIAL STATEMENTS

27. Employee benefits expenses (continued)

Defined Benefit Plan

Pension and post retirement medical plans

The following tables 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 Tata Motors Body Solutions Limited (Formerly known as Tata Marcopolo Motors Limited):

	(₹ in crores)			
	Pension benefit *		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	20.36	16.82	2.50	1.78
Current service cost	1.98	1.69	0.25	0.19
Past service cost	-	1.55	-	-
Interest cost	1.43	1.14	0.18	0.12
Remeasurements (gains) / losses			-	
Actuarial losses arising from changes in demographic assumptions	(0.11)	0.09	(0.02)	0.02
Actuarial losses arising from changes in financial assumptions	(0.14)	(0.41)	0.22	0.57
Actuarial (gains) / losses arising from changes in experience adjustments	1.43	(0.04)	(0.04)	(0.18)
Transfer in/(out) of liability			-	-
Benefit payments	(0.18)	(0.18)	-	-
Benefits paid from plan assets	(0.27)	(0.30)	-	-
Past service cost - Plan amendment			-	-
Defined benefit obligation, end of the year	24.50	20.36	3.09	2.50
Change in plan assets:				
Fair value of plan assets, beginning of the year	14.03	13.28	-	-
Interest income	1.08	0.91	-	-
Remeasurements losses				
Return on plan assets, (excluding amount included in net Interest expense)	0.27	0.15	-	-
Employer's contributions	2.66	-	-	-
Transfer in/(out) of liability	-	-	-	-
Benefits paid	(0.27)	(0.30)	-	-
Fair value of plan assets, end of the year	17.77	14.03	-	-
	Pension benefit *		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Amount recognised in the balance sheet consists of				
Present value of defined benefit obligation	24.50	20.36	3.09	2.50
Fair value of plan assets	17.77	14.03	-	-
Net liability	(6.73)	(6.33)	(3.09)	(2.50)
Amounts in the balance sheet:				
Non-current assets	0.03	-	-	-
Non-current liabilities	(6.76)	(6.33)	(3.09)	(2.50)
Net liability	(6.73)	(6.33)	(3.09)	(2.50)

* Pension benefit includes Gratuity and Bhavishya Kalyan Yojana (BKY).

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(₹ in crores)

27. Employee benefits (continued)

Information for funded plans with a defined benefit obligation in excess of plan assets:

	Pension Benefits *	
	As at March 31,	
	2023	2022
Defined benefit obligation	-	14.15
Fair value of plan assets	-	14.03

Information for funded plans with a defined benefit obligation less than plan assets:

	Pension Benefits *	
	As at March 31,	
	2023	2022
Defined benefit obligation	17.75	-
Fair value of plan assets	17.77	-

Information for unfunded plans:

	Pension Benefits *		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Defined benefit obligation	6.75	6.21	3.09	2.50

Net pension and post retirement medical cost consist of the following components:

	Pension Benefits *		Post retirement medical Benefits	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2022
Service cost	1.98	1.69	0.25	0.19
Net interest cost	0.35	0.24	0.18	0.12
Past service cost - Plan amendment	-	1.55	-	-
Net periodic cost	2.33	3.48	0.43	0.31

Other changes in plan assets and benefit obligation recognised in other comprehensive income.

	Pension Benefits *		Post retirement medical Benefits	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2022
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	(0.27)	(0.15)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.11)	0.09	(0.02)	0.02
Actuarial (gains)/losses arising from changes in financial assumptions	(0.14)	(0.41)	0.22	0.57
Asset ceiling	-	-	-	-
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	1.43	(0.04)	(0.04)	(0.18)
Total recognised in other comprehensive income	0.91	(0.51)	0.16	0.41
Total recognised in statement of comprehensive income	3.24	2.98	0.59	0.72

* Pension benefits includes Gratuity and Bhavishya Kalyan Yojana (BKY).

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

27. Employee benefits expenses (continued)

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

	Pension Benefits *		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Discount rate	7.20%	7.10%	7.30%	7.20%
Rate of increase in compensation level of covered employees	6.00% - 12.00%	6.00% - 9.00%	NA	NA
Increase in health care cost	NA	NA	6.00%	6.00%

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2023 and 2022 by category are as follows:

Asset category:	Pension benefits *	
	As at March 31,	
	2023	2022
Cash and cash equivalents	15.4%	1.9%
Debt instruments (quoted)	62.5%	69.5%
Debt instruments (unquoted)	0.0%	0.0%
Equity instruments (quoted)	8.2%	8.4%
Deposits with Insurance companies	13.9%	20.2%
	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, 2023 is **10.30 years**

The Company expects to contribute **₹ 0.47 crores** to the funded pension plans during the year ending March 31, 2024.

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 ₹ 3.96 crores	Decrease by ₹0.91 crores
	Decrease by 1%	Increase by ₹ 4.86 crores	Increase by ₹ 1.04 crores
Salary escalation rate	Increase by 1%	Increase by ₹ 3.70 crores	Increase by ₹ 0.95crores
	Decrease by 1%	Decrease by ₹3.08 crores	Decrease by ₹ 0.79 crores
Health care cost	Increase by 1%	Increase by ₹0.72 crores	Increase by ₹ 0.16crores
	Decrease by 1%	Decrease by ₹ 0.58 crores	Decrease by ₹ 0.13crores

The Company's contribution to defined contribution plan aggregated to ₹ 1.90 crores and ₹ 2.44 crores for the years ended March 31, 2023 and 2022 respectively.

* Pension benefits includes Gratuity and Bhavishya Kalyan Yojana (BKY).

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(₹ in crores)

28. Finance costs

	Year ended March 31,	
	2023	2022
(a) Interest	13.94	12.32
(b) Discounting charges	3.05	1.44
	16.99	13.76

29. Other expenses

	Year ended March 31,	
	2023	2022
(a) Consumption of stores & spare parts	18.66	11.48
(b) Power and fuel	9.29	5.34
(c) Freight, transportation, port charges etc.	3.04	2.47
(d) Technical know how	11.96	5.41
(e) Contract labour charges	66.82	31.36
(f) Cost of deputed employees	5.33	6.05
(g) IT services	4.83	5.33
(h) Works operation and other expenses	31.60	22.83
Total	151.53	90.27

Note:

Works operation and other expenses include:

	Year ended March 31,	
	2023	2022
(a) Auditors' Remuneration (excluding GST)		
(i) Audit Fees	0.28	0.20
(ii) Others	0.04	0.05

(b) Corporate Social Responsibility (CSR) expenditure

	Year ended March 31,	
	2023	2022
Amount required to be spent by the Company during the year	-	-
Amount of expenditure incurred on:		
(i) Construction/acquisition of any assets	-	-
(ii) On purposes other than (i) above	0.12	0.11
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Health & Hygiene projects	

30. Amount transferred to capital and other accounts

	Year ended March 31,	
	2023	2022
(a) Product development/Engineering expenses	(2.74)	-
(b) Capital work in progress	-	(2.50)
Total	(2.74)	(2.50)

31. Commitments and contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

a) Estimated amount of contracts remaining to be executed on capital account (tangible) and not provided for (net of advances) is ₹ 7.89 crores (March 31, 2022: ₹ 4.34 crores).

b) Claims against the Company not acknowledged as debts:

	As at March 31,	
	2023	2022
i) Works contract tax on indirect materials	0.34	0.34
ii) Sales tax on local/ interstate/ import of motor parts	0.90	0.91
iii) Central Excise/ Service Tax	30.66	30.58
iv) Bonus pertaining to retrospective period as per notification dated January 1, 2016	0.28	0.28
Total	32.18	32.11

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

d) During the year the Company transferred certain employees from it Dharwad plant to Lucknow plant to meet the increasing business requirement which is line with the clauses mentioned in the employees appointment letter. However, few employees have not joined and the Company has recorded their absenteeism, since the date of transfer. Some of the transferred employees of the Company have complained to industrial tribunal hubli in this matter, which is under review with Tribunal. Liabilities towards this is amounting to Rs 6.32 Crores as at March 31, 2023 not recorded in the financial statements

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. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. 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.

(b) EPS

	Year ended March 31,	
	2023	2022
(a) Profit/(loss) after tax	(24.88)	(91.98)
(b) The weighted average number of Ordinary shares for Basic EPS (Refer Note below)	21,83,87,096	21,83,87,096
(c) The nominal value per share	10	10
(d) Earnings per share (Basic)	(1.14)	(4.21)
(e) Earnings per share (Diluted)	(1.14)	(4.21)

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

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.

Financial instruments are recognised on the balance sheet 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 profit or 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.

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.

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 subsequently measured at amortised cost unless they meet the specific criteria to be recognised at fair value through profit or loss.

Other financial liabilities are measured at amortised cost using the effective interest method. Subsequent to initial recognition, these are measured at fair value with gains or losses being recognised in 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.

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

33. Financial instruments (Continued)

(b) Disclosures on financial instruments

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, 2023.

	Cash and other financial assets at amortised cost	Total carrying value	(₹ in crores) Total fair value	
Financial assets				
(a) Trade receivables	126.71	126.71	126.71	
(b) Cash and cash equivalents	34.73	34.73	34.73	
(c) Loans and advances	1.55	1.55	1.55	
(d) Other financial assets	6.20	6.20	6.20	
Total	169.19	169.19	169.19	
			Other financial liabilities (at amortised cost)	Total carrying value
				Total fair value
Financial liabilities				
(a) Long-term borrowings (including Current maturities of long-term borrowings)			39.62	39.62
(b) Lease liabilities			22.20	22.20
(c) Short-term borrowings			139.83	139.83
(d) Trade payables			141.54	141.54
(e) Acceptances			58.03	58.03
(f) Other financial liabilities			6.11	6.11
Total			407.33	407.33

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2022.

	Cash and other financial assets at amortised cost	Total carrying value	Total fair value	
Financial assets				
(a) Trade receivables	85.39	85.39	85.39	
(b) Cash and cash equivalents	6.73	6.73	6.73	
(c) Loans and advances	0.11	0.11	0.11	
(d) Other financial assets	3.49	3.49	3.49	
Total	95.72	95.72	95.72	
			Other financial liabilities (at amortised cost)	Total carrying value
				Total fair value
Financial liabilities				
(a) Long-term borrowings (including Current maturities of long-term borrowings)			39.04	39.04
(b) Lease liabilities			9.16	9.16
(c) Short-term borrowings			128.57	128.57
(d) Trade payables			95.96	95.96
(e) Acceptances			42.49	42.49
(f) Other financial liabilities			4.27	4.27
Total			319.49	319.49

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

33. Disclosures on financial instruments (Continued)

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.

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

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2023 and 2022.

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

The following table provides an analysis of fair value of financial instruments that are not measured at fair value on recurring basis, grouped into Level 1 to Level 3 categories:

				(₹ in crores)
				As at March 31, 2023
	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	39.62	-	39.62
(b) Short-term borrowings	-	139.83	-	139.83
Total	-	179.45	-	179.45
				(₹ in crores)
				As at March 31, 2022
	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	42.61	-	42.61
(b) Short-term borrowings	-	125.00	-	125.00
Total	-	167.61	-	167.61

Other short-term financial assets and liabilities are stated at amortised cost which is approximately equal to their fair value.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, substantially for all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

33. Disclosures on financial instruments (Continued)

(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.

(i) 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) (a) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in fair value of financial instruments or changes in interest income, expense and cash flows of the Company.

As at March 31, 2023 and 2022, financial liabilities of ₹ 213.04 crores and ₹186.25 crores, respectively, were subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹ 2.13 crores and ₹1.86 crores for the year ended March 31, 2023 and 2022, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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

33. Disclosures on financial instruments (Continued)

(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 ₹ 169.19 crores and ₹ 95.71crores as at March 31, 2023 and 2022, respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including short term deposits with banks, are 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, 2023, and March 31, 2022, 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.

		As at March 31,											(₹ in crores)		
		2023						2022							
				Overdue						Overdue					
Trade receivables		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	76.59	49.83	0.11	0.02	0.05	0.11	126.71	75.96	9.22	0.05	0.05	0.08	0.03	85.39
(b)	Which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		76.59	49.83	0.11	0.05	0.11	126.71	75.96	9.22	0.05	0.08	0.03	85.39		
Less: Allowance for credit impaired balances							-							-	
Total							126.71							85.39	

There are no disputed trade receivables which have significant increase in credit risk or credit impaired undisputed trade receivables as on March 31, 2023 and March 31, 2022.

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

33. Disclosures on financial instruments (Continued)

(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. Further, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, senior notes and other debt instruments. 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, 2023:

<u>Financial liabilities</u>	<u>Carrying amount</u>	<u>Due in 1st Year</u>	<u>Due in 2nd Year</u>	<u>Due in 3rd to 5th Year</u>	<u>Due after 5th Year</u>	(₹ in crores) <u>Total contractual cash flows</u>
(a) Trade payables and acceptances	199.57	199.57	-	-	-	199.57
(b) Borrowings and interest thereon	180.17	140.57	3.57	28.69	7.36	180.19
(c) Other financial liabilities	6.11	5.39	-	0.72	-	6.11
(d) Lease liabilities	22.20	2.92	2.88	8.24	17.31	31.35
Total	408.05	348.45	6.45	37.65	24.67	417.22

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2022:

<u>Financial liabilities</u>	<u>Carrying amount</u>	<u>Due in 1st Year</u>	<u>Due in 2nd Year</u>	<u>Due in 3rd to 5th Year</u>	<u>Due after 5th Year</u>	(₹ in crores) <u>Total contractual cash flows</u>
(a) Trade payables and acceptances	138.46	138.46	-	-	-	138.46
(b) Borrowings and interest thereon	168.03	129.00	3.57	28.69	6.77	168.03
(c) Other financial liabilities	3.84	3.84	-	-	-	3.84
(d) Lease liabilities	9.15	2.53	0.80	2.45	3.37	9.15
Total	319.49	273.83	4.37	31.14	10.14	319.49

34. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, non-convertible debentures, senior notes and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

35. Related-party transactions

The Company's related parties principally includes holding company Tata Motors Limited and its subsidiaries and joint operations. 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 summarises related-party transactions and balances for the year ended / as at March 31, 2023

(₹ in crores)

	Parent Company	Fellow Subsidiaries	Investor Exercising significant influence*	Total
(A) Transactions				
Purchase of products	12.61	-	-	12.61
Sale of products	728.99	-	-	728.99
Services received	2.22	5.63	3.85	11.70
Acceptance received (Net)	-	58.03	-	58.03
Reimbursement of cost (exclusive of taxes)	25.94	-	-	25.94
Finance taken (including loans and equity)	35.00	-	-	35.00
Finance taken, paid back (including loans and equity)	20.00	-	-	20.00
Interest (income)/expense, dividend (income)/paid, net	4.12	4.23	-	8.35
(B) Balances				
Amounts payable in respect of loans and interest thereon	15.00	58.64	-	73.64
Trade payables (including Lease Liability)	15.83	0.92	9.98	26.73

The following table summarises related-party transactions and balances for the year ended / as at March 31, 2022:

	Parent Company	Fellow Subsidiaries	Investor Exercising significant influence*	Total
A) Transactions				
Purchase of products	4.48	5.42	5.40	15.30
Sale of products	349.52	-	-	349.52
Services received	2.51	-	-	2.51
Common services by TML (Excluding taxes)	0.91	-	-	0.91
Reimbursement of cost (exclusive of taxes)	9.15	-	-	9.15
Recovery of expenses (exclusive of taxes)	-	0.01	-	0.01
Right of use Assets - Interest and Depreciation (Excluding taxes)	3.79	-	-	3.79
Acceptance received (Net)	-	42.50	-	42.50
Advance returned/ Adjusted	2.12	-	-	2.12
Inter-corporate deposits returned (Net)	30	-	-	30.00
Interest received on inter-corporate deposit	0.17	-	-	0.17
Interest (income)/expense, dividend (income)/paid, net	3.57	2.87	-	6.44
(B) Balances				
Amount payable (including RTU Lease Liability)	10.51	45.13	4.51	60.15
Trade and other receivables	83.57	-	-	83.57
Advance payables	3.2	-	-	3.20

*Marcopolo S.A. Brazil was significant investor upto August 27, 2022.

Details of significant transactions are given below:

Name of Related Party	Nature of relationship	Year ended March 31,	
		2023	2022
ii) Acceptance received (Net)			
Tata Motors Financial Solutions Ltd	Fellow Subsidiaries	58.03	42.50

Compensation of key management personnel:	Year ended March 31,	
	2023	2022
Short-term benefits	1.70	1.46
Post-employment benefits	0.20	0.21

The compensation of CEO and Managing Director is ₹ 1.34 crores and ₹ 1.09 crores for the year ended March 31, 2023 and 2022, respectively.

Refer note 22 for information on transactions with post employment benefit plans.

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

36. Ratio

Sr No	Particulars	Year ended March 31,		Change	Reason for Change
		2023	2022		
a)	Debt Equity Ratio (number of times) [Total Debt ⁽ⁱ⁾ / Shareholders' Equity ⁽ⁱⁱ⁾]	19.34	4.82	301%	Due to higher increased borrowings & losses
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⁾)]	(0.37)	(2.32)	-84%	Mainly due to reduction in losses
c)	Current ratio (number of times) [Current assets (excluding Assets classified as held for sale) / Current liabilities (excluding Liabilities directly associated with Assets Classified as Held For Sale)]	0.64	0.62	3%	
d)	Trade receivable turnover (number of times) [Revenue from operations / Average Trade receivables]	7.37	4.30	71%	Due to increase in revenue
e)	Inventory turnover (number of times) [Raw material consumed ^(iv) / average inventory ^(v)]	8.05	5.71	41%	Increase in raw material consumed in line higher revenue
f)	Trade payable turnover (number of times) [Cost of material consumed / Average Trade payables]	4.40	3.74	18%	Increase in raw material consumed in line higher revenue
g)	Net capital turnover (number of times) [Revenue from operations / Working capital ^(vi)]	(5.54)	(3.81)	45%	Due to increase in revenue
h)	Net profit margin (%) [Net profit after tax / Revenue from operations]	(3.18%)	(22.00%)	-86%	Reduction in losses mainly due to increase in revenue
i)	Return on equity (number of times) [Net profit after tax / Average shareholders' equity]	(1.13)	(2.15)	-47%	Due to reduction in losses
j)	Return on capital employed (number of times) [Profit before interest and tax / Capital employed ^(vii)]	(0.04)	(31.00)	-100%	Due to reduction in losses
k)	Return on investments (number of times) [Net profit after tax / Average investments]	Not Applicable	Not Applicable	Not Applicable	

Notes:

- i Total debts includes non current and current borrowings
- 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 debt, interest accrued on borrowings and liabilities directly associated with assets classified as held for sale).
- v Cost of goods sold includes Cost of materials consumed, Purchases of products for sale and Changes in inventories of finished goods, work-in-progress and products for
- 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
- vii Capital employed includes Shareholders' Equity, non current and current borrowings

37. Other statutory information :

- (I) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (II) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (III) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (IV) The Company have not advanced or loaned or invested funds to any other 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 have 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 have not any such 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 constorium 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,Plants and Equipments (including Right-of-use Assets) during the year.
- (X) 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 at March 31, 2023 and 2022 respectively

TATA MOTORS BODY SOLUTIONS LIMITED (Formerly known as "TATA MARCOPOLO MOTORS LIMITED")
NOTES FORMING PART OF FINANCIAL STATEMENTS

38. Other notes:

i) 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 :

Particulars	(₹ in crores)	As at March 31,	
		2023	2022
(a) Amounts outstanding but not due (including capital creditors) as at March 31,		41.29	23.56
(b) Amounts due but unpaid as at March 31,	- Principal	-	0.01
(c) Amounts paid after appointed date during the year	- Principal	61.39	51.00
(d) Amount of interest accrued and unpaid as at March 31,	- Interest	1.60	1.16
(e) Amount of estimated interest due and payable for the period from April 1, 2023 to actual date of payment or May 02, 2023 (whichever is earlier)	- Interest	-	-

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

Digitally signed by KALPESH RAMESHCHANDR A KHANDELWAL
Date: 2023.05.02 23:49:31 +05'30'

KALPESH KHANDELWAL
Partner
Membership No. 133124
UDIN-23133124BGYBBK1076
Place- Pune

Digitally signed by SMRITI GOYAL
Date: 2023.05.02 23:08:39 +05'30'

SMRITI GOYAL
Director
DIN: 08488684
Place: Mumbai

Digitally signed by Rohit Srivastava
Date: 2023.05.02 23:07:53 +05'30'

Rohit Srivastava
Director
DIN: 07910693
Place: Mumbai

Digitally signed by ASHOKKUMAR BHOLANATH KOYARI
Date: 2023.05.02 23:09:54 +05'30'

A B KOYARI
Company Secretary
ACS : 15825
Place: Gaziabad

Digitally signed by LAXMIPRASAD PRADYUMNA JAHAGIRDAR
Date: 2023.05.02 23:25:47 +05'30'

LAXMIPRASAD JAHAGIRDAR
Manager & Chief Executive Officer
Place: Dharwad

Digitally signed by KAUSHIK ROY
Date: 2023.05.02 23:07:16 +05'30'

KAUSHIK ROY
Chief Financial Officer
Place: Dharwad

Date: May 02, 2023

Date: May 02, 2023