

Note 14

Other non-financial assets

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital Advances	10,95.03	6,16.84	1,19.30
Deposits with statutory authorities (Net of provision Rs. 60.76 lakhs; March 31, 2018 Rs. 60.76 lakhs; April 01, 2017 Rs. Nil)	69.24	50.57	90.12
Deposits paid under protest	13,77.44	3,96.73	3,71.71
Prepaid expenses	23,65.89	31.54	2,87.30
Taxes recoverable, statutory deposits and dues from government (Net of provision of Rs 3,15.64 lakhs; March 31, 2018 Rs 4,27.48 lakhs; April 01, 2017 Rs Nil)	28,01.32	14,98.44	1,58.40
Stamp papers	4,65.61	4,32.49	2,46.00
Others (Net of provision of Rs 19,04.19 lakhs; March 31, 2018 Rs 19,81.74 lakhs; April 01, 2017 Rs 799.70 lakhs)	40,20.79	12,15.23	63,09.63
<b>Total</b>	<b>121,95.32</b>	<b>42,41.84</b>	<b>75,82.46</b>

Note 15

Derivative financial instruments as at March 31, 2019

Particulars	(₹ in lakhs)			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
<b>Currency derivatives</b>				
Forward Contracts	-	-	-	-
Currency Swaps	-	-	171,42.50	2,30.85
<b>Subtotal</b>	-	-	<b>171,42.50</b>	<b>2,30.85</b>
<b>Interest rate derivatives</b>				
Interest Rate Swaps	171,42.50	1,17.79	-	-
<b>Subtotal</b>	<b>171,42.50</b>	<b>1,17.79</b>	<b>-</b>	<b>-</b>
<b>Total Derivative Financial Instruments</b>	<b>171,42.50</b>	<b>1,17.79</b>	<b>171,42.50</b>	<b>2,30.85</b>
<b>Derivative designated as hedge</b>				
Cash flow hedging:				
Currency swaps	-	-	171,42.50	2,30.85
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>171,42.50</b>	<b>2,30.85</b>
<b>Undesignated Derivatives</b>				
Interest Rate Swaps	171,42.50	1,17.79	-	-
<b>Total Derivative Financial Instruments</b>	<b>171,42.50</b>	<b>1,17.79</b>	<b>171,42.50</b>	<b>2,30.85</b>

Comparative numbers for March 31, 2018 and April 01, 2017 are Nil as there were no derivative instruments.

Note 16

Payables

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Trade Payables</b>			
total outstanding dues of micro enterprises and small enterprises	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	236,58.74	134,84.26	182,36.45
<b>Other Payables</b>			
total outstanding dues of micro enterprises and small enterprises	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	42,71.78	46,50.20	42,35.63
<b>Total</b>	<b>279,30.52</b>	<b>181,34.46</b>	<b>224,72.08</b>

Note: Information in respect of micro enterprises and small enterprises to whom the Company owes dues, which are outstanding as at the balance sheet date and disclosed above as defined under 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 and relied upon by the auditors.



Note 17

Debt securities (at a amortised cost)

	As at March 31, 2019	As at March 31, 2018	(₹ in lakhs) As at April 01, 2017
i. Privately placed non-convertible debentures (secured)#	3721,81.29	3831,09.30	4198,41.68
ii Commercial Paper (unsecured) (net of unamortised discounting charges and borrowing cost of Rs. 83,36.17 Lakhs; March 31, 2018 Rs. 56,57.95 lakhs; April 01, 2017 Rs 49,06.12 lakhs)	5606,63.83	5628,42.05	2655,93.88
<b>Total (A)</b>	<b>9328,45.12</b>	<b>9459,51.35</b>	<b>6854,35.56</b>
i. Debt securities in India	9328,45.12	9459,51.35	6854,35.56
ii. Debt securities outside India	-	-	-
<b>Total (B)</b>	<b>9328,45.12</b>	<b>9459,51.35</b>	<b>6854,35.56</b>

# Nature and extent of security for secured borrowings outstanding

Nature and extent of Security created and maintained for secured non-convertible debentures (privately placed) listed on WDM segment of NSE as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

1(A) Nature

Privately placed non-convertible secured debentures are fully secured by first pari passu charge by way of registered mortgage on:

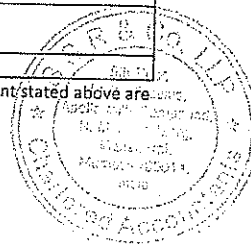
- i) One of the Company's residential flat (Refer note 4) and
- ii) a) All receivables of the Company arising out of loan and lease transactions  
b) All other book debts, trade advances forming part of movable assets of the Company  
c) Any other security as identified by the Company and acceptable to the debenture trustee

Terms of repayment of bonds / debentures outstanding as at March 31, 2019 of Rs. 10 lakhs each

Particulars	(₹ in lakhs)	Redemption Date
9.25% Non Convertible Debentures "K" FY 2018-19	26,00.00	28-Dec-21
9.85% TMFL Zero Coupon Debentures "F" FY 2018-19*	47,01.98	27-Dec-21
9.85% Non Convertible Debentures "I" FY 2018-19	75,00.00	04-Dec-21
9.10% TMFL Zero Coupon Debentures "D" FY 2018-19*	32,32.58	23-Aug-21
9.00% Non Convertible Debentures "W" FY 2016-17	1,00.00	28-Jul-21
9.15% TMFL Zero Coupon Debentures "B" FY 2018-19*	91,09.23	26-Jul-21
9.30% Non Convertible Debentures "S" FY 2016-17	22,00.00	28-Jun-21
9.20% Non Convertible Debentures "K" FY 2016-17	42,00.00	10-Jun-21
9.20% TMFL Zero Coupon Debentures "M" FY 2016-17*	7,76.58	10-Jun-21
9.15% TMFL Zero Coupon Debentures "A" FY 2018-19*	90,72.15	07-Jun-21
9.20% Non Convertible Debentures "G" FY 2016-17	10,00.00	13-May-21
9.20% Non Convertible Debentures "C" FY 2016-17	20,00.00	06-Apr-21
9.25% Non Convertible Debentures "M" FY 2015-16	40,00.00	17-Dec-20
7.78% TMFL Zero Coupon Debentures "E" FY 2017-18*	189,08.10	25-Aug-20
8.32% TMFL Zero Coupon Debentures "D" FY 2017-18*	460,45.33	10-Jul-20
8.40% TMFL Zero Coupon Debentures "C" FY 2017-18*	318,51.03	02-Jun-20
9.5872% Non Convertible Debentures "J" FY 2018-19	100,00.00	29-May-20
8.40% TMFL Zero Coupon Debentures "B" FY 2017-18*	369,22.71	27-May-20
9.0291% Non Convertible Debentures "C" FY 2018-19	615,00.00	30-Jan-20
8.7951% Non Convertible Debentures "E" FY 2018-19	100,00.00	26-Dec-19
9.6556% Non Convertible Debentures "H" FY 2018-19	450,00.00	26-Dec-19
9.10% Non Convertible Debentures "J" FY 2015-16	10,00.00	19-Nov-19
Non Convertible Debentures "G" FY 2018-19**	150,00.00	18-Nov-19
9.85% Non Convertible Debentures "D" FY 2014-15	100,00.00	17-Oct-19
9.85% Non Convertible Debentures "A" FY 2014-15	55,00.00	10-Oct-19
9.00% TMFL Zero Coupon Debentures "V" FY 2016-17*	64,67.50	23-Jul-19
9.30% Non Convertible Debentures "T" FY 2016-17	69,00.00	28-Jun-19
9.20% Non Convertible Debentures "L" FY 2016-17	20,00.00	10-Jun-19
9.20% Non Convertible Debentures "J" FY 2016-17	20,00.00	31-May-19
9.10% TMFL Zero Coupon Debentures "H" FY 2015-16*	6,76.02	06-May-19
7.99% TMFL Zero Coupon Debentures "A" FY 2017-18*	145,77.31	24-Apr-19
TMFL Zero Coupon Debentures "L" FY 2015-16*	46,93.99	11-Apr-19
9.20% Non Convertible Debentures "B" FY 2016-17	73,00.00	08-Apr-19
9.20% TMFL Zero Coupon Debentures "A" FY 2016-17*	32,52.29	03-Apr-19
	3900,86.81	
Less: Unamortised borrowing cost including premium on redemption	179,05.52	
<b>Total</b>	<b>3721,81.29</b>	

\* These NCDs are zero coupon NCDs issued at par value and redeemable at premium and the amount stated above are gross of premium on redemption.

\*\* These NCDs carry a floating coupon rate based on 3 month T-Bill rate plus 240 basis points.



Note 18

Borrowings (Other than debt securities) (at amortised cost)

	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Term loans			
i. from banks in INR (secured) (refer note (i) below)	9435,12.03	3888,18.70	2799,28.21
ii. from banks in INR (unsecured)	1224,88.60	1499,93.67	2299,95.49
(b) Inter Corporate Deposits (unsecured) (Due to related party Rs Nil Lakhs; March 31, 2018 Rs. 50,00.00 lakhs, April 01, 2017 - Rs Nil)	50,00.00	80,00.00	-
(c) Loans repayable on demand from banks (secured) (refer note (ii) below)	2645,00.00	595,00.00	-
(d) Cash Credit from banks (secured) (refer note (ii) below)	1304,71.95	1501,03.40	1326,18.57
(e) Collateralised Debt Obligation (secured) (refer note (iii) below)	3047,33.38	1320,58.31	1027,11.68
(e) Liability component of compound financial instruments	226,73.00	156,99.76	100,75.97
<b>Total (A)</b>	<b>17933,78.96</b>	<b>9041,73.84</b>	<b>7553,29.92</b>
i. Borrowings in India	17933,78.96	9041,73.84	7553,29.92
ii. Borrowings outside India	-	-	-
<b>Total (B)</b>	<b>17933,78.96</b>	<b>9041,73.84</b>	<b>7553,29.92</b>

Note (i)

Term loans from banks includes borrowings in foreign currency of USD 25,000,000, equivalent to Rs.172,88.75 lakhs as on March 31, 2019 (March 31, 2018 USD Nil, equivalent to Rs Nil; 01 April, 2017 USD Nil, equivalent to Rs. Nil)

Terms of repayment for Term Loans

The term loans from banks are repayable at periodic intervals on a quarterly / half-yearly/ annual basis/ bullet payment. The interest rate on term loans from banks are in the range of 6.85% to 10.05% per annum. Tenure of such loans ranges from 2 years to 5 years. Loans are borrowed at fixed rate or a floating rate of interest linked to MCLR / LIBOR/ OIS etc plus spread with monthly/ quarterly/ half-yearly / yearly reset options. On the reset date, the Company has an option to repay the loans.

Nature of Security for secured term loans from banks:

Secured term loans from banks are secured by a pari-passu charge in favour of the security trustee on:

- All receivables of the Company arising out of loan, lease transactions and trade advances.
- All other book debts.
- Receivables from pass through certificates in which Company has invested.
- Such other current assets as may be identified by the Company from time to time and accepted by the security trustee.

Note (ii)

Nature of Security for cash credit and loans repayable on demand:

Cash credit and loans repayable on demand is secured by a pari-passu charge in favour of the security trustee on:

- All receivables of the Company arising out of loan, lease and trade advances;
- All other book debts;
- Receivables from pass through certificates in which Company has invested; and
- Such other current assets as may be identified by the Company from time to time and accepted by the security trustee.

Note (iii)

Collateralised debt obligation represent amount received against finance receivables securitised, which does not qualify for derecognition.

Note 19

Subordinated Liabilities (at amortised cost)

	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Perpetual Debt Instruments to the extent that do not qualify as equity (unsecured)	373,37.36	373,01.26	372,72.18
(b) Privately placed subordinated unsecured redeemable, non-convertible debentures	1629,17.56	1378,80.54	1129,02.90
<b>Total (A)</b>	<b>2002,54.92</b>	<b>1751,81.80</b>	<b>1501,75.08</b>
i. Debt securities in India	2002,54.92	1751,81.80	1501,75.08
ii. Debt securities outside India	-	-	-
<b>Total (B)</b>	<b>2002,54.92</b>	<b>1751,81.80</b>	<b>1501,75.08</b>



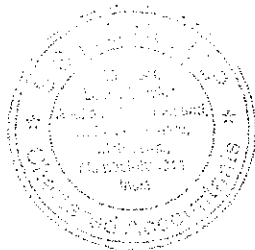
**Terms of Privately placed Subordinated Non Convertible Unsecured Redeemable Debentures**

Particulars	(Rs. in Lakhs)	Redemption Date
Face value of Rs. 10 Lakhs each (Redeemable at par)		
10.00% TMFL – Tier II Debentures – "B" FY 2018-19	150,00.00	29-Mar-29
10.00% TMFL – Tier II Debentures – "A" FY 2018-19	100,00.00	31-Aug-28
9.00% TMFL – Tier II Debentures – "B" FY 2017-18	200,00.00	28-Mar-28
8.35% TMFL – Tier II Debentures – "A" FY 2017-18	50,00.00	13-Nov-27
9.70% TMFL – Tier II Debentures – "C" FY 2014-15	150,00.00	19-Dec-24
10.35% TMFL – Tier II Debentures – "B" FY 2014-15	60,00.00	26-Sep-24
10.60% TMFL – Tier II Debentures – "A" FY 2014-15	25,00.00	12-Sep-24
10.15% TMFL – Tier II Debentures – "A" FY 2013-14	55,10.00	28-May-23
9.85% TMFL – Tier II Debentures – "B" FY 2013-14	100,00.00	24-May-23
10.46% TMFL – Tier II Debentures – "C" FY 2012-13	28,00.00	28-Dec-22
Face value of Rs. 5 Lakhs each (Redeemable at par)		
10.65% TMFL – Tier II Debentures – "B" FY 2012-13	25,00.00	3-Aug-22
11.00% TMFL – Tier II Debentures – "A" FY 2012-13	37,40.00	22-May-22
11.00% TMFL – Tier II Debentures – "C" FY 2011-12	10,00.00	26-Mar-22
11.00% TMFL – Tier II Debentures – "B" FY 2011-12	69,15.00	2-Mar-22
11.00% TMFL – Tier II Debentures – "A" FY 2011-12	75,30.00	17-Sep-21
10.70% TMFL – Tier II Debentures – "D" FY 2009-10	111,00.00	28-Apr-20
10.70% TMFL – Tier II Debentures – "C" FY 2009-10	100,00.00	10-Apr-20
10.75% TMFL – Tier II Debentures – "B" FY 2009-10	88,95.00	25-Mar-20
10.90% TMFL – Tier II Debentures – "A" FY 2009-10	200,00.00	20-Jan-20
	1634,90.00	
Less : Unamortised Borrowing Cost	5,72.44	
	1629,17.56	

**Terms of Privately placed Subordinated Unsecured Non Convertible Perpetual Debentures**

Particulars	(Rs. in Lakhs)	Face Value (Rs.)
11.35% TMFL Perpetual "A" FY 2010-11	150,00.00	5 Lakhs
11.50% TMFL Perpetual "A" FY 2012-13	26,90.00	5 Lakhs
11.25% TMFL Perpetual "B" FY 2012-13	73,10.00	5 Lakhs
11.03% TMFL Perpetual "A" FY 2013-14	52,70.00	10 Lakhs
11.33% TMFL Perpetual "B" FY 2013-14	22,30.00	10 Lakhs
11.10% TMFL Perpetual "A" FY 2014-15	50,30.00	10 Lakhs
	375,30.00	
Less : Unamortised Borrowing Cost	1,92.64	<
	373,37.36	

Redemption period is not applicable as the NCDs are perpetual. The Company has a call option which can be exercised, after the prior approval of the Reserve Bank of India, at the expiry of 10 years from the date of allotment and at the end of every month thereafter. In case of non-exercise of the option at the expiry of 10 years from the date of allotment, coupon rate will be increased by 50 bps.



Note 20

Other financial liabilities

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued on borrowings	169,38.54	155,92.11	196,61.06
Payable for assigned receivables	37,41.49	67,65.63	-
Deposits (not covered in Section 2(31) of Companies Act, 2013)	44.92	2,70.68	2,37.95
Others	13,51.45	3,13.37	10,03.80
<b>Total</b>	<b>220,76.40</b>	<b>229,41.79</b>	<b>209,02.81</b>

Note 21

Provisions

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits	8,97.92	8,22.86	8,94.57
Provision for indirect taxes	111,99.99	111,99.99	111,93.32
Provision for consumer disputes	3,23.46	56.45	75.42
<b>Total</b>	<b>124,21.37</b>	<b>120,79.30</b>	<b>121,63.31</b>

Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset"

(a) Provision for Indirect taxes

Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	111,99.99	111,93.32
Add : Provision during the year	-	6.67
Less : Utilisation/Reversal during the year	-	-
Closing Balance	111,99.99	111,99.99

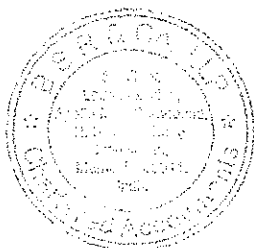
(b) Provision for consumer disputes

Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	56.45	75.42
Add : Provision during the year	3,04.85	16.75
Less : Utilisation/Reversal during the year	37.84	35.72
Closing Balance	3,23.46	56.45

Note 22

Other non-financial liabilities

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Dues	29,54.83	28,90.54	8,33.92
Others	29,00.71	30,42.32	4,50.71
<b>Total</b>	<b>58,55.54</b>	<b>59,32.86</b>	<b>12,84.63</b>



Notes forming part of financial statements for the year ended March 31, 2019

## Note 23

## Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	₹	Number	₹	Number	₹
	(₹ in lakhs)					
<b>Authorised</b>						
Equity Shares of Rs.100 each with voting rights	12,00,00,000	1200,00.00	15,00,00,000	1500,00.00	15,00,00,000	1500,00.00
		1200,00.00		1500,00.00		1500,00.00
<b>Issued, Subscribed and Fully Paid up</b>						
Equity Shares of Rs.100 each	5,83,84,693	583,84.69	5,38,73,415	538,73.42	4,91,49,006	491,49.01
<b>Total</b>		583,84.69		538,73.42		491,49.01

## a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	₹	Number	₹	Number	₹
	(₹ in lakhs)					
Shares outstanding at the beginning of the year	5,38,73,415	538,73.42	4,91,49,006	491,49.01	75,00,000	75,00.00
Shares issued during the year	45,11,278	45,11.27	47,24,409	47,24.41	4,16,49,006	416,49.01
Shares outstanding at the end of the year	5,83,84,693	583,84.69	5,38,73,415	538,73.42	4,91,49,006	491,49.01

## b) Details of shares held by holding company and its subsidiaries:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital
	(₹ in lakhs)					
<b>A. Equity shares with voting rights</b>						
Holding Company						
TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)	5,65,62,677	96.88	5,20,51,399	96.62	4,73,26,990	96.29
Subsidiaries of holding company						
Tata Motors Finance Solutions Limited	18,22,016	3.12	18,22,016	3.38	18,22,016	3.71

## c) Details of shares held by each shareholder holding more than 5 percent of the issued share capital:

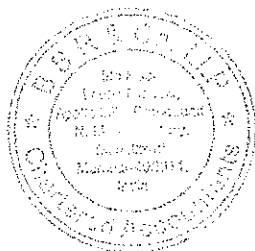
Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital
	(₹ in lakhs)					
Equity Share with voting rights						
TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)	5,65,62,677	96.88	5,20,51,399	96.62	4,73,26,990	96.29

## d) Terms / rights attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares ranked equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of the equity shares held.

e) The Board of Directors at its meeting held on 20th March, 2019 recommended an interim dividend of Rs. 3 per equity share of Rs 100 each (3%). The same was paid on 25th March, 2019.

f) The Board of Directors at its meeting held on May 06, 2019 recommended a final dividend of Rs. 6.05 per equity share of Rs. 100 each (6.05%) subject to approval of the members of the Company at the forthcoming annual general meeting.



Notes forming part of financial statements for the year ended March 31, 2019

Note 24A

Equity Component of Compound Financial Instrument

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs.	Number	Rs.	Number	Rs.
<b>Authorised</b>						
Preference shares of Rs.100 each	8,00,00,000	800,00.00	5,00,00,000	500,00.00	5,00,00,000	500,00.00
		800,00.00		500,00.00		500,00.00
<b>Issued, Subscribed and Fully Paid up</b>						
Equity portion of cumulative, non-participating Compulsorily convertible preference share (CCPS) of Rs. 100 each	5,38,00,000	286,11.44	3,75,00,000	206,83.85	3,75,00,000	124,24.03
Equity portion of non-cumulative, non-participating Compulsorily convertible preference share (CCPS) of Rs. 100 each	1,85,00,000	185,00.00	-	-	-	-
<b>Total</b>	<b>723000,00.00</b>	<b>471,11.44</b>	<b>375000,00.00</b>	<b>206,83.85</b>	<b>375000,00.00</b>	<b>124,24.03</b>

a) Reconciliation of the CCPS outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs.	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	3,75,00,000	206,83.85	2,25,00,000	124,24.03	-	-
Shares Issued during the year	3,48,00,000	264,27.59	1,50,00,000	82,59.82	2,25,00,000	124,24.03
Shares outstanding at the end of the year	<b>7,23,00,000</b>	<b>471,11.44</b>	<b>3,75,00,000</b>	<b>206,83.85</b>	<b>2,25,00,000</b>	<b>124,24.03</b>

b) Details of CCPS held by holding company and its subsidiaries:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)	33,50,000	46.33	15,00,000	40.00	2,25,00,000	100.00

c) Details of Compulsorily Convertible Preference Shares (CCPS) held by each shareholder holding more than 5% of Shares:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)	33,50,000	46.33	15,00,000	40.00	22,50,000	100.00
Aditya Birla Finance Limited	10,00,000	13.83	10,00,000	26.67	-	-
Kotak Mahindra Prime Limited	5,00,000	6.92	-	-	-	-

d) Terms / rights attached to preference shares:

1) During the year, the Company has issued 1,63,00,000 privately placed, cumulative, non-participating compulsorily convertible preference shares (CCPS) on June 12, 2018 bearing a face value of Rs. 100 each at a price of Rs. 200 per share aggregating to Rs. 326,00.00 lakhs. The holders of the CCPS are entitled for dividend @ 10.00% on a yearly basis, in preference to the equity shareholders of the Company, subject to applicable law, availability of profits of the Company, after provision for depreciation. The CCPS shall fully and mandatorily be converted into equity shares of the Company on the date falling at the expiry of 7 years from the CCPS allotment date. 3.17 Preference shares will be converted into 1 equity shares of face value of Rs. 100 each. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.

2) During the year, the Company has issued 1,85,00,000 privately placed, non-cumulative, non-participating compulsorily convertible preference shares (CCPS) on September 19, 2018 bearing a face value of Rs. 100 each at a price of Rs. 200 per share aggregating to Rs. 370,00.00 lakhs. The holders of the CCPS are entitled for dividend @ 10.00% on a yearly basis, in preference to the equity shareholders of the Company, subject to applicable law, availability of profits of the Company, after provision for depreciation. The CCPS shall fully and mandatorily be converted into equity shares of the Company on the date falling at the expiry of 7 years from the CCPS allotment date. 3.17 Preference shares will be converted into 1 equity shares of face value of Rs. 100 each. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.

e) The Board of Directors at its meeting held on May 06, 2019 recommended a dividend of Rs. 8.2 per CCPS of Rs 100 each (8.2%) and Rs. 10 per CCPS of Rs. 100 each (10%) subject to approval of the members of the Company at the forthcoming annual general meeting.



a) Special reserve

As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal.

b) Capital redemption reserve

The Indian Companies Act, 2013 (the "Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares.

d) Securities Premium Account

The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. Also, issue expenses in respect of new equity infusion & CCPS infusion is recognised in Securities Premium Account.

c) Capital reserve

The Capital Reserve represents the compensating reversal adjustment relating to amortisation of discount on the Zero Coupon Debentures which were charged against the Securities Premium Reserve earlier which is not allowed as per the Companies Act, 2013. This separate reserve head is created based on the FAQ issued by the Ind AS Transition Facilitation Group.

e) General reserve

The Company has transferred a portion of net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

f) Retained earnings

Retained earnings are the profits that the Company has earned till date.

g) Equity Instrument through OCI

It represents the cumulative gains/(losses) arising on the revaluation of Equity Shares measured at fair value through OCI.

h) Hedging Reserve through OCI

It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.





Note 25

Interest Income

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
On Financial Assets measured at Amortised Cost		
Interest on Loans	2931,87.59	2210,25.17
Interest income from investments	8,51.29	40.57
Interest on deposits with Banks	58,14.78	39,60.34
Other interest Income	51.25	-
<b>Total</b>	<b>2999,04.91</b>	<b>2250,26.08</b>

Note 26

Net gain on fair value changes

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss	17,36.26	11,79.48
<b>Total</b>	<b>17,36.26</b>	<b>11,79.48</b>
Fair Value changes:		
- Realised	15,70.52	8,96.05
- Unrealised	1,65.74	2,83.43
<b>Total</b>	<b>17,36.26</b>	<b>11,79.48</b>

Note 27

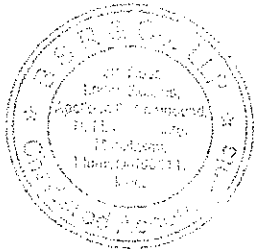
Other Income

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Support services income	96,66.56	86,10.01
Balances written back	12,66.86	11,54.90
Net gain/(loss) on derecognition of property, plant and equipment	(12.40)	(1,30.70)
Miscellaneous Income	3,37.59	3,14.84
<b>Total</b>	<b>112,58.61</b>	<b>99,49.05</b>

Note 28

Finance Costs (on financial liabilities measured at amortised cost)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Borrowings	1024,30.71	510,66.15
Interest on Debt Securities	820,10.45	737,70.13
Interest on Subordinated Liabilities	190,86.35	164,85.0.
Other Finance Charges	5,29.93	3,33.18
<b>Total</b>	<b>2040,57.44</b>	<b>1416,54.47</b>



Note 29

Impairment on financial instruments and other assets

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Loans (at amortised cost)				
-Allowance for loan losses	(112,97.46)		(338,03.93)	
Less: Delinquency support	9,64.21	(103,33.25)	(4,60.74)	(342,64.67)
-Finance receivables written off (net of recoveries of Rs.95,64.99 lakhs for the year ended March 31, 2019; Rs. 144,97.22 lakhs for year ended March 31, 2018)	398,60.93		467,45.56	
Less: Delinquency support	(9,88.84)	388,72.09	(32,50.54)	434,95.02
Investments (at amortised cost)				
-Allowance for investments		1,14.55		-
Other assets				
-Provision for doubtful loans and advances (others)		(66.49)		12,65.12
<b>Total</b>		<b>285,86.90</b>		<b>104,95.47</b>

Note 30

Employee Benefit Expenses

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Salaries	255,69.88	225,54.70
Contribution to provident and other funds	14,47.48	14,70.01
Staff welfare expenses	14,53.23	15,62.52
<b>Total</b>	<b>284,70.59</b>	<b>255,87.23</b>

Note 31

Other expenses

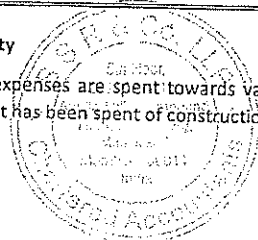
Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Rent, taxes and energy costs	32,84.55	33,46.56
Repairs and maintenance	4,65.99	3,69.09
Corporate Social Responsibility Expense (refer note (ii))	2,12.28	1,89.21
Communication Costs	7,71.69	8,19.18
Printing and stationery	2,94.68	2,80.12
Advertisement and publicity	3,58.00	5,24.92
Director's fees, allowances and expenses	1,19.40	41.60
Auditor's fees and expenses (refer note (i))	1,02.37	1,10.64
Legal and Professional charges	64,95.83	63,39.09
Credit risk & other insurance	9,13.39	,90.84
Incentive/commission	84,86.57	69,74.30
Service Provider Fees	144,58.18	134,26.13
Cenvat credit reversals	43,74.27	34,64.35
Others	79,30.70	85,90.31
<b>Total</b>	<b>482,67.90</b>	<b>445,66.34</b>

(i) Auditors' remuneration (excluding taxes):

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
As auditors - statutory audit	81.99	89.74
Tax audit	7.27	0.75
For other services	4.22	12.00
Reimbursement of out of pocket expenses	8.89	8.15
<b>Total</b>	<b>102.37</b>	<b>110.64</b>

(ii) Corporate social responsibility

Corporate social responsibility expenses are spent towards various schemes of Corporate social responsibility (CSR) as prescribed under section 135 of the Companies Act, 2013. No amount has been spent on construction of/acquisition of an asset of the Company.



Notes forming part of financial statements for the year ended March 31, 2019

## Note 32

## Earnings per share

Basic and diluted earnings per equity share are computed in accordance with Ind AS 33 – Earnings per share. Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed by dividing the net profit after tax as adjusted for dividend related to dilutive potential equity shares by the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year. The following table sets forth, for the periods indicated, the computation of earnings per share.

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
(₹ in lakhs)		
<b>Basic</b>		
Weighted average no. of equity shares outstanding	5,41,57,687	5,01,71,549
Net profit attributable to equity share holders	203,87.66	272,08.93
Basic earnings per share (Rs.)	37.65	54.23
<b>Diluted</b>		
Weighted average no. of equity shares outstanding	7,39,01,649	5,79,69,960
Net profit	220,63.49	279,37.52
Diluted earnings per share (Rs.)	29.86	48.19
Face value per share (Rs.)	100	100

## (a) Reconciliation of earnings used in calculating earnings per share

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Net profit attributable to equity share holders used in basic earning per share	203,87.66	272,08.93
Add: Interest savings on CCPS	16,75.83	7,28.61
Net profit attributable to equity share holders used in calculating diluted earnings per share	220,63.49	279,37.54

## (b) Weighted average number of shares used as the denominator

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,41,57,687	5,01,71,549
Add: Convertible preference shares	1,97,43,961	77,98,411
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	7,39,01,649	5,79,69,960

## Note 33

## Segment reporting

The Company is primarily engaged in the business of financing and there are no separate reportable operating segments identified as per the Ind AS 108 - Segment Reporting.

## Note 34

## Disclosure in respect of Operating leases

## 1. Company as lessee- Operating Leases

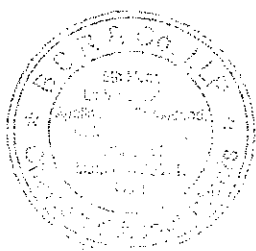
The Company has recognised lease rent payments made amounting to Rs. 25,81.24 lakhs ( Previous year: 24,75.37 lakhs) in the Statement of Profit and Loss under "Other Expenses". The lease agreements is of cancellable nature.

## 2. Company as lessor- Operating Leases

i) The Company has recognised lease rental income from leasing of assets amounting to Rs. 11,14.04 lakhs ( Previous year: 1,62.40 lakhs) in the Statement of Profit and Loss under.

ii) Disclosure with respect to non - cancellable Operating leases arrangements entered into for passenger vehicles are as follows

Particulars	For the year ended		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(₹ in lakhs)			
The future minimum lease receivables:			
a) not later than one year	3,60.61	3,51.82	-
b) later than one year and not later than five years	7,64.00	11,92.89	-
c) Later than five years	-	-	-
Total	11,24.61	15,44.71	-



Notes forming part of financial statements for the year ended March 31, 2019

## Note 35

Contingent liabilities and commitments :-

## 1 Contingent liabilities to the extent not provided for:

## a) Claims against the company not acknowledged as debts:

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
In respect of Value added tax and entry tax matters	1,12.70	1,09.54	1,21.73
In respect of service tax matters	60,99.05	60,09.79	5,23.33
In respect of consumer disputes	28,45.53	4,55.77	7,13.61
In respect of bonus under the Payment of Bonus (Amendment) Act, 2015	26.15	26.15	26.15
<b>Total</b>	<b>90,83.43</b>	<b>66,01.25</b>	<b>13,84.82</b>

b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable and consequently no financial effect has been provided for in the financial statements. As a matter of caution, the Company has made an evaluation on a prospective basis from the date of the SC order. The Company will reassess the position on receiving any further update or clarity on the subject.

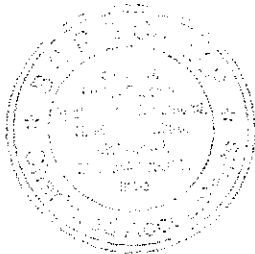
## 2 Commitments:

## Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.6,18.37 lakhs (as at March 31, 2018: Rs.2,94.67 lakhs and April 01, 2017: Rs.2,53.84 lakhs)

## Other commitments

- a) Loan commitment towards vehicle financing Rs.44.54 lakhs (as at March 31, 2018: Rs.2,67.43 lakhs and April 01, 2017: Rs.63.09 lakhs)  
 b) Commitment for Investment Rs.2,06.73 lakhs (as at March 31, 2018: Rs.2,27.59 lakhs and April 01, 2017: Rs.63.17 lakhs)



## 36 Note 36

## Employee benefit obligations

## a) Defined contribution plans

The Company makes contribution towards provident fund and towards superannuation fund a defined contribution retirement plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Motors Limited and the Superannuation Fund is administered by the Trustees of the Tata Motors Limited Superannuation Fund. The Company is liable to pay to the provident fund and superannuation fund to the extent of the amount contributed and any shortfall in the fund assets based on government specified minimum rates of return relating to current services. The Company recognise such contribution and shortfall if any as an expense in the year incurred.

On account of the above contribution plans, a sum of Rs. 920.61 lakhs (previous year Rs. 851.59 lakhs) has been recognised in the Statement of Profit and Loss.

## b) Defined benefit plans

The gratuity defined benefit plan is a funded plan and the Company makes contributions to the Tata Motors Finance Limited Employees Gratuity Trust for funding the defined benefit gratuity plan for qualifying employees. The plan provides for a lumpsum 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 following table sets out the funded and unfunded status and the amounts recognised in the financial statements for the gratuity plans

a) Changes in defined benefit obligations	As at March 31	
	2019	2018
	(₹ in lakhs)	
Defined benefit obligation, beginning of the year	36,92.41	40,11.97
Current service cost	4,73.71	5,59.76
Interest cost	2,71.35	2,94.79
Remeasurement (gains) / losses		
Actuarial (gain) / losses arising from change in financial assumptions	(1,54.88)	(2,73.66)
Actuarial (gain) / losses arising from change in demographic assumptions	(1,22.40)	(3,44.92)
Actuarial (gain) / losses arising from change in experience adjustments	36.50	(86.07)
Transfer between Subsidiaries	48.34	(3,06.53)
Benefits paid from plan assets	(3,36.79)	(1,62.93)
Defined benefit obligation, end of the year	39,08.24	36,92.41

b) Changes in plan assets	As at March 31	
	2019	2018
	(₹ in lakhs)	
Fair value of plan assets, beginning of the year	38,26.02	40,18.09
Interest cost	2,81.64	2,95.25
Remeasurement (gains) / losses		
Return on plan assets, (excluding amount included in net interest expense)	1,61.25	(17.86)
Transfer in/(out) of assets	48.34	(3,06.53)
Benefits paid	(3,36.79)	(1,62.93)
Fair value of plan assets, end of the year	39,80.46	38,26.02

c) Amount recognised in balance sheet consists of:	As at March 31	
	2019	2018
	(₹ in lakhs)	
Present value of defined benefit obligation	(39,08.24)	(36,92.41)
Fair value of plan assets	39,80.46	38,26.02
Net Assets/ (Liability)	72.22	133.61

d) Amount recognised in the Statement of Profit and Loss:	As at March 31	
	2019	2018
	(₹ in lakhs)	
Current Service Cost	4,73.71	5,59.76
Interest on Defined Benefit Obligations (Net)	(10.29)	(0.46)
Net Charge to the Statement of Profit and Loss	463.42	559.30

e) Amount recognised in Other Comprehensive Income(OCI) for the year:	As at March 31	
	2019	2018
	(₹ in lakhs)	
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/income	1,61.25	(17.86)
Actuarial gains/(losses) arising from changes in demographic assumptions	1,22.40	344.92
Actuarial gains/(losses) arising from changes in financial assumptions	1,54.88	273.66
Actuarial gains/(losses) arising from changes in experience adjustments on plan liabilities	(36.50)	86.07
Net impact on the other comprehensive income before tax	4,02.03	686.79



Notes forming part of financial statements for the year ended March 31, 2019

(₹ in lakhs)			
f) The fair value of Company's Gratuity plan asset by category	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Asset Category			
- Government securities (quoted)	-	-	-
- Debt Instruments (quoted)	-	-	-
- Debt instruments (unquoted)	-	-	-
- Equity shares (quoted)	-	-	-
- Insurer Managed Funds (unquoted)	100%	100%	100%

g) The assumptions used in accounting for the gratuity plans are set out below:	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount rate	7.70%	7.70%	7.50%
Expected return on plan assets	7.70%	7.70%	7.50%
Salary Escalation rate	8.00%	8.50%	9.00%
Mortality Tables	Indian Assured Lives mortality (2006-08) Ult		

(a) Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

(b) The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.

(₹ in lakhs)		
h) The maturity profile of defined benefit obligation are set out below:	As at March 31, 2019	As at March 31, 2018
Within next 12 months (next annual reporting period)	3,11.62	1,64.77
Between 1 and 5 years	17,73.68	8,18.62
Between 5 and 9 years	32,08.87	27,69.69
10 years and above	-	-

(₹ in lakhs)		
i) Quantitative sensitivity analysis for significant assumptions:	As at March 31, 2019	As at March 31, 2018
100 bps increase in discount rate	(2,83.43)	(3,47.60)
100 bps decrease in discount rate	3,22.23	4,04.22
100 bps increase in salary escalation rate	3,18.58	3,97.38
100 bps decrease in salary escalation rate	(2,85.53)	(3,48.45)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

j) Weighted Average Duration of Defined Benefit obligation:	As at March 31, 2019	As at March 31, 2018
The weighted average duration of the defined benefit obligation	8 years	10.26 years

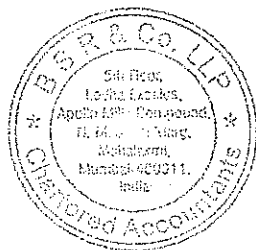
(₹ in lakhs)	
k) The best estimate of the expected Contribution for the next year:	As at March 31, 2019
The Company expected contribution to the funded gratuity plans in FY 2019-20	3,11.62

#### l) Risk Exposure

Through its gratuity defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below :

**Investment Risk:** If future investment returns on assets are lower than assumed in valuation, the scheme's assets will be lower, and the funding level higher, than expected.

**Change in bond yields:** A decrease in yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED) (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2019

Additional disclosures given in terms of the Non Banking Financial Companies - Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (as amended)

Additional disclosures of current and comparative years given below are based on Ind AS. Disclosures as per RBI regulations wherever the same differs from Ind AS have been disclosed separately.

Note 37A

Asset Liability Maturity Pattern of certain items of assets and liabilities

S. No.	Particulars	Period	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total	(₹ in lakhs)		
												March 31, 2019	March 31, 2018	March 31, 2019
1	Deposits	March 31, 2019	56,28.65	40,25.71	24,77.18	91,35.77	77,64.79	37,51.00	-	-	-	977,83.10		
		March 31, 2018	-	541,71.15	-	-	81,72.46	22,34.00	-	-	-	645,77.61		
2	Advances	March 31, 2019	825,43.03	833,83.86	825,57.36	2,472,25.73	5,037,40.11	1,47,42,21.83	4,666,05.74	592,79.35	592,79.35	29,995,57.00		
		March 31, 2018	575,06.34	617,93.23	615,20.80	18,46,80.90	3,880,56.31	10,70,263.15	2,801,13.44	504,45.67	504,45.67	21,543,79.85		
3	Investments	March 31, 2019	75.70	-	296,41.27	-	-	113,50.00	58.50	177,58.33	171,02.57	588,83.79		
		March 31, 2018	-	-	-	-	-	3,50.00	-	-	-	174,52.57		
4	Borrowings from banks / financial institutions (Term-loans / Cash credit)	March 31, 2019	278,98.41	1,48,61.32	1,719,47.75	1,464,54.17	5,719,54.62	65,48,76.38	3,730,47.71	38,50.00	38,50.00	19,648,90.36		
		March 31, 2018	1,116,78.57	-	-	235,00.00	2,454,06.97	3,159,10.71	1,670,00.00	-	-	8,634,96.26		
5	Market borrowings (Privately placed non convertible debentures and gross commercial papers)	March 31, 2019	1,198,23.59	1,826,76.02	862,10.36	84,67.50	1,768,95.00	252,355.21	3,785,54.32	497,96.99	825,55.14	9,887,79.81		
		March 31, 2018	849,46.35	275,138.45	1,358,55.69	664,28.34	1,691,85.07	3,785,54.32	515,71.96	803,96.55	803,96.55	11,920,76.74		

Notes:

- Borrowings includes Commercial Papers which are issued at discount, which are considered gross of unamortised discounting charges.
- Borrowings includes premium payable on redemption on Zero Coupon Debentures
- Deposit is in the form of Fixed Deposits with Banks
- Borrowings does not include Inter Corporate Deposits
- Cash Credit and WCDL are shown in 6 months to 1 Year time bucket as per RBI guidelines
- Market Borrowings included Liability component of compound financial instruments and Collateralised Debt Obligation (secured)

Note 37B

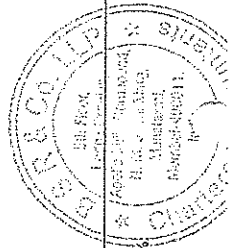
Capital to Risk Assets ratio (CRAR)

The ratios calculated in accordance with the guidelines of the Reserve Bank of India, are as under:

S.No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	CRAR (%)	15.25%	16.50%
2	CRAR - Tier I capital (%)	10.93%	10.16%
3	CRAR - Tier II capital (%)	4.32%	6.34%
4	Amount of subordinated debt raised as Tier-II capital	250,00.00	250,00.00
5	Amount raised by issue of Perpetual Debt Instruments	-	-

CRAR as reported to RBI for comparative year is as below :-

March 31, 2018 : Tier I - 11.81%, Tier II - 4.75%, Total CRAR - 16.56%



Notes forming part of financial statements for the year ended March 31, 2019

Additional disclosures given in terms of the Non Banking Financial Companies - Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (as amended)

Note 37C

Perpetual debt Instruments

(₹ in lakhs)			
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Funds raised through perpetual debt instruments		
2	Amount outstanding at the end of year	375,30.00	375,30.00
3	Percentage of amount of perpetual debt instrument of the amount of Tier I Capital*	10.97%	16.67%
4	Financial year in which interest on perpetual debt instruments is not paid on account of 'Lock-in Clause'	NIL	NIL

\*Percentage of amount of perpetual debt instrument of the amount of Tier I Capital as reported to RBI for comparative year is as below :-

March 31, 2018 : 14.19%

Note 37D

Disclosure on securitisation/direct assignment of standard assets

i) Securitisation of standard assets effected in line with the revised guidelines issued by RBI, dated August 21, 2012

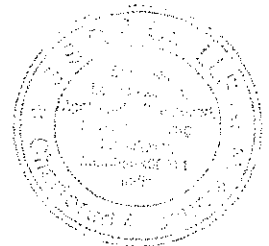
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
1	No. of special purpose vehicles (SPVs) sponsored by the Company for securitisation transactions	14	5	3
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company (as certified by the SPV's auditors)	3140,00.33	1393,16.93	1080,41.46
3	Total amount of exposures retained by the company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet			
	a. Off-balance sheet exposures			
	First loss	-	-	-
	Others	-	-	-
	b. On-balance sheet exposures			
	First loss	328,25.11	104,06.46	73,45.40
	Others	91,43.13	72,31.35	53,02.61
4	Amount of exposures to securitisation transactions other than MRR			
	a. Off-balance sheet exposures			
	i) Exposures to own securitizations			
	First loss	-	-	-
	Others	228,65.09	125,10.63	109,85.00
	ii) Exposures to third party securitizations			
	First loss	-	-	-
	Others	-	-	-
	b. On-balance sheet exposures			
	i) Exposures to own securitizations			
	First loss	-	-	-
	Second Loss (In the Form of Fixed Deposits)	149,58.00	41,71.15	-
	Others	140,47.36	79,92.06	62,25.54
	ii) Exposures to third party securitizations			
	First loss	-	-	-
	Others	-	-	-

The above information is based on information submitted by the SPVs, which is duly submitted by the SPV's auditors.

Note: These securitisation transactions do not qualify for derecognition under Ind AS.

ii) Details of Assignment transactions undertaken by applicable NBFCs

(₹ in lakhs)			
Sr No	Particulars	March 31, 2019	March 31, 2018
1	No. of contracts assigned during the year	50,97.00	381,40.00
2	Amount of contracts assigned during the year (Outstanding principal at the time of assignment)	731,82.46	639,64.97
3	Retained amount at the time of direct assignment (10% of outstanding Principal)	73,18.25	60,43.12
4	Retained amount outstanding	62,81.69	34,55.18





Notes forming part of financial statements for the year ended March 31, 2019

Additional disclosures given in terms of the Non Banking Financial Companies - Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (as amended)

## Note 37E

Disclosure of restructured advances

Sr. No.	Type of Restructuring => Asset Classification =>		Others				Total
			Standard	Sub-standard	Doubtful	Loss	
1	Restructured accounts as on April 1, 2018 [opening figures]	No. of Borrowers	-	8	26	-	34.00
		Amount Outstanding	-	7,66.45	1,05.63	-	8,72.08
		Provision Amount	-	48.30	21.30	-	69.60
2	Fresh restructuring during the year 2018 - 2019	No. of Borrowers	-	4.00	-	-	4.00
		Amount Outstanding	-	2,73.37	-	-	2,73.37
		Provision Amount	-	15.70	-	-	15.70
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	(2.00)	(1.00)	-	(3.00)
		Amount Outstanding	-	(2,19.85)	(0.18)	-	(2,20.03)
		Provision Amount	-	(1.90)	(0.11)	-	(2.01)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
5	Down gradations of restructured accounts during the financial year	No. of Borrowers	-	(5.00)	5.00	-	-
		Amount Outstanding	-	(4,90.69)	4,42.84	-	(47.85)
		Provision Amount	-	(45.91)	2,16.47	-	1,70.55
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	(1.00)	(2.00)	-	(3.00)
		Amount Outstanding	-	(55.90)	(6.23)	-	(62.14)
		Provision Amount	-	(0.49)	(3.81)	-	(4.30)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	-	-	(16.00)	-	(16.00)
		Amount Outstanding	-	-	(76.34)	-	(76.34)
		Provision Amount	-	-	(14.10)	-	(14.10)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9 c	Restructured accounts as on March 31, 2019 [closing figures]	No. of Borrowers	-	4.00	12.00	-	16.00
		Amount Outstanding	-	2,73.37	4,65.72	-	7,39.09
		Provision Amount	-	15.70	2,19.74	-	2,35.44

The Company has not done any restructuring under CDR mechanism and SME Debt restructuring mechanism and hence no disclosure is required for same.

For the previous year i.e. financial year 2017-18

Sr. No.	Type of Restructuring => Asset Classification =>		Others				Total
			Standard	Sub-standard	Doubtful	Loss	
1	Restructured accounts as on April 1, 2017 [opening figures]	No. of Borrowers	-	12.00	89.00	-	1,01.00
		Amount Outstanding	-	2,57.15	7,86.84	-	10,44.00
		Provision Amount	-	8.43	2,10.68	-	2,19.11
2	Fresh restructuring during the year 2017 - 2018	No. of Borrowers	-	7.00	-	-	7.00
		Amount Outstanding	-	7,62.41	-	-	7,62.41
		Provision Amount	-	47.83	-	-	47.83
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	(5.00)	(8.00)	-	(13.00)
		Amount Outstanding	-	(1,90.63)	(1,27.17)	-	(3,17.80)
		Provision Amount	-	(2.85)	(9.78)	-	(12.64)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
5	Down gradations of restructured accounts during the financial year	No. of Borrowers	-	(5.00)	5.00	-	-
		Amount Outstanding	-	(57.44)	47.10	-	(10.34)
		Provision Amount	-	(5.32)	7.14	-	1.82
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	-	(10.00)	-	(10.00)
		Amount Outstanding	-	-	(1,22.78)	-	(1,22.78)
		Provision Amount	-	-	(63.85)	-	(63.85)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	-	(1.00)	(50.00)	-	(51.00)
		Amount Outstanding	-	(5.04)	(4,78.36)	-	(4,83.40)
		Provision Amount	-	0.21	(122.89)	-	(1,22.68)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2018 [closing figures]	No. of Borrowers	-	8.00	26.00	-	34.00
		Amount Outstanding	-	7,66.45	1,05.63	-	8,72.08
		Provision Amount	-	48.30	21.30	-	69.60

The Company has not done any restructuring under CDR mechanism and SME Debt restructuring mechanism and hence no disclosure is required for same.

Notes forming part of financial statements for the year ended March 31, 2019

Additional disclosures given in terms of the Non Banking Financial Companies - Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (as amended)

Note 37F

Break up of 'Provisions and Contingencies' shown under the head 'Expenditure' in the Statement of Profit and Loss

(₹ in lakhs)

S. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Provision for diminution in the value of investment	114.55	-
2	Provision for doubtful loans and advances (others)	(66.49)	12,65.12
3	Provision for doubtful finance receivables	(112,97.46)	(338,03.93)
	Add / (Less): Delinquency support	9,64.21	(4,60.74)
4	Provision made towards income tax	66,00.00	(63,48.81)
5	Provision on consumer disputes	267.01	(18.97)

Note 37G

Investments

(₹ in lakhs)

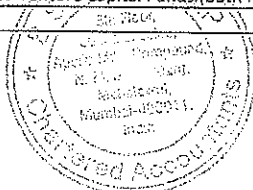
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Value of investments		
(i)	Gross value of investments		
(a)	In India	589,98.34	174,52.54
(b)	Outside India	-	-
(ii)	Provision for depreciation		
(a)	In India	1,14.55	-
(b)	Outside India	-	-
(iii)	Net value of investments		
(a)	In India	588,83.79	174,52.54
(b)	Outside India	-	-
2	Movement of provisions held towards depreciation of investments		
(i)	Opening balance	-	-
(ii)	Add: Provisions made during the year	1,14.55	-
(iii)	Less: Utilised	-	-
(iv)	Closing balance	1,14.55	-

Note 37H

Capital Market

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	257,07.69	149,78.06
2	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;		-
3	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;		-
4	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;		-
5	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		-
6	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		-
7	bridge loans to companies against expected equity flows / issues;		-
8	underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;		-
9	financing to stockbrokers for margin trading;		-
10	all exposures to Venture Capital Funds (both registered and unregistered)	19,48.45	18,34.50
		276,56.14	168,12.56



Notes forming part of financial statements for the year ended March 31, 2019

Additional disclosures given in terms of the Non Banking Financial Companies - Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (as amended)

Note 37I

Ratings assigned by credit rating agencies and migrations of ratings in respect of all credit facilities and debt instruments during the year:

S. No.	Rating agency	Period	Instruments					
			Long-term bank facilities	Short-term bank facilities	Secured Non-convertible debentures	Unsecured subordinated Tier II NCDs	Commercial papers	Perpetual debt
1	CRISIL	31-Mar-19	CRISIL AA/NEGATIVE	CRISIL A1+	CRISIL AA/NEGATIVE	CRISIL AA/NEGATIVE	CRISIL A1+	CRISIL A+/NEGATIVE
		31-Mar-18	CRISIL AA/Positive	CRISIL A1+	CRISIL AA/Positive	CRISIL AA/Positive	CRISIL A1+	CRISIL A+/Positive
2	ICRA	31-Mar-19	ICRA AA/NEGATIVE	ICRA A1+	ICRA AA/NEGATIVE	ICRA AA/NEGATIVE	ICRA A1+	ICRA A+/NEGATIVE
		31-Mar-18	ICRA AA/Positive	ICRA A1+	ICRA AA/Positive	ICRA AA/Positive	ICRA A1+	ICRA A+/Positive
3	CARE	31-Mar-19	CARE AA/STABLE	N.A	CARE AA/STABLE	CARE AA/STABLE	CARE A1+	CARE A+/STABLE
		31-Mar-18	CARE AA+Stables	N.A	CARE AA+Stable	CARE AA+Stable	CARE A1+	CARE AA-Stable

Note 37J

Details of financing of parent company's products

S. No.	Particulars	As at			
		March 31, 2019		March 31, 2018	
		No's	Amount	No's	Amount
1	Commercial vehicle#	1,42,187	15977,87.00	1156,89.00	11447,82.00
2	Passenger vehicle#	46,500	3013,49.00	426,19.00	2344,53.00

#Represents financing of products of ultimate parent entity 'Tata Motors Limited'.

Note 37K

Concentration of advances

S. No.	Particulars	As at	
		March 31, 2019	March 31, 2018
1	Total advances to twenty largest borrowers / customer	594,57.47	371,20.22
2	Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	1.91%	1.65%

Note 37L

Concentration of exposures

S. No.	Particulars	As at	
		March 31, 2019	March 31, 2018
1	Total exposure to twenty largest borrowers / customer	594,57.47	371,20.22
2	Percentage of exposures to twenty largest borrowers / customer to total exposure of the NBFC on borrowers / customer	1.91%	1.65%

Note 37M

Concentration of NPAs

S. No.	Particulars	As at	
		March 31, 2019*	March 31, 2018
1	Total exposure to top four NPA accounts (refer note below)	19,34.44	18,53.47

\* Exposure to IL&FS group entities of Rs. 15,65.53 lakhs is excluded in line with National Company Law Appellate Tribunal's (NCLAT) order dated February 25, 2019 in respect of I.A No. 620 of 2019 in Company Appeal (AT) No. 346 of 2018.

Note: Total exposure amount represents Gross of overdue interest and overdue expenses.



Notes forming part of financial statements for the year ended March 31, 2019

Additional disclosures given in terms of the Non Banking Financial Companies - Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (as amended)

## Note 37N

Sector-wise NPAs (Percentage of NPAs to total advances in that sector)

S. No.	Sector	As at March 31, 2019	As at March 31, 2018
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	3.25%	4.60%
7	Other personal loans	-	-

Notes:

- (a) For the year ended March 31, 2019 exposure to IL&FS group entities of Rs. 15,04.26 lakhs is excluded for percentage of NPA in line with National Company Law Appellate Tribunal's (NCLAT) order dated February 25, 2019 in respect of I.A No. 620 of 2019 in Company Appeal (AT) No. 346 of 2018.
- (b) Percentage of Gross NPA to total advances as per RBI regulations for current and comparative years are as below :-  
March 31, 2019 : 2.92%, March 31, 2018 : 4.69%,

## Note 37O

Customer complaints

(Numbers)			
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	No of complaints pending at the beginning of the year	184	50
2	Included on business acquisition	0	0
3	No of complaints received during the year*	4760	3360
4	No of complaints redressed during the year	4650	3226
5	No of complaints pending at the end of the year	284	184

\*complaints include legal cases lodged

## Note 37P

Movement of NPAs

(₹ in lakhs)			
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Net NPAs to net advances	1.85%	2.60%
2	Movement of NPAs (Gross)		
(i)	Opening balances	1032,90.89	1708,54.98
(ii)	Additions during the year	719,04.04	663,06.12
(iii)	Reductions during the year	738,38.21	1338,70.21
(iv)	Closing balances	1013,56.72	1032,90.89
3	Movement of Net NPAs		
(i)	Opening balances	570,76.35	1023,09.30
(ii)	Additions during the year	397,77.79	342,83.64
(iii)	Reductions during the year	398,66.19	795,16.59
(iv)	Closing balances	569,87.95	570,76.35
4	Movement of provisions for NPAs (excluding provisions on standard assets)		
(i)	Opening balances	462,14.54	685,45.67
(ii)	Additions during the year	321,26.25	320,22.49
(iii)	Reductions during the year	339,72.02	543,53.62
(iv)	Closing balances	443,68.77	462,14.54

- (a) For the year ended March 31, 2019 exposure to IL&FS group entities of Rs. 15,04.26 lakhs is excluded for percentage of Gross NPA in line with National Company Law Appellate Tribunal's (NCLAT) order dated February 25, 2019 in respect of I.A No. 620 of 2019 in Company Appeal (AT) No. 346 of 2018.
- (b) Gross NPA and percentage of Net NPAs to net advances as per RBI regulations for current and comparative years are as below :-  
Gross NPA : March 31, 2019 : Rs. 911,46.19 lakhs, March 31, 2018 : Rs. 995,58.70 lakhs,  
Net NPAs to net advances : March 31, 2019 : 1.52%, March 31, 2018 : 3.27%



Notes forming part of financial statements for the year ended March 31, 2019

Additional disclosures given in terms of the Non Banking Financial Companies - Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (as amended)

## Note 37Q

## Forward Rate Agreement / Interest Rate Swap

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	The notional principal of swap agreements	171,42.50	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	2,30.85	-
(iii)	Collateral required by the applicable NBFC upon entering into swap	-	-
(iv)	Concentration of credit risk arising from the swaps \$	Contracts are with reputed banks	-
(v)	The fair value of the swap book	(113.06)	-

The Company as per its risk management policy, uses foreign exchange forward and other Interest Rate Swap (IRS) to hedge the risk exposure relating to changes in foreign currency exchange rate and interest rate.

Refer note 3 for accounting policies on derivative and hedging activities and note 40 for risk management policies adopted by the Company.

## Quantitative Disclosures

(₹ in lakhs)

S. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) For hedging	171,42.50	171,42.50
(ii)	Marked to Market Positions	-	1,17.79
	a) Asset (+)	(2,30.85)	-
	b) Liability (-)	171,42.50	171,42.50
(iii)	Credit Exposure	-	-
(iv)	Unhedged Exposures	-	-

## Note 37R

## Other disclosures

- No penalties were imposed by RBI and other regulators during the financial year 2018-19. (financial year 2017-18: Nil)
- The Company does not have any exposure in real estate sector during the financial year 2018-19. (financial year 2017-18: Nil)
- The Company has not exceeded the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2018-19. (financial year 2017-18: Nil)
- The Company is only registered with Reserve Bank of India as a Systemically Important Non Deposit Taking Non Banking Financial Company.
- The Company has not drawn down any amounts from the reserves during the financial year 2018-19 except as disclosed in Statement of Changes in Equity. (financial year 2017-18: Nil)
- The Company has not sold any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year 2018-19. (financial year 2017-18: Nil)



Notes forming part of financial statements for the year ended March 31, 2019

## Note 38

## Related party disclosures

## (I) Related parties and their relationship [as defined under IndAS-24 Related Party Disclosures]

## (A) Parties where the control exists:

- Ultimate Holding Company: Tata Motors Limited
- Holding Company: TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)

## (B) Other Related Parties with whom transactions have taken place during the year and/or previous year:

## (i) Fellow subsidiaries within the Group

- Tata Motors Finance Solutions Limited
- Concorde Motors (India) Limited
- Tata Technologies Limited
- Tata Precision Industries (India) Limited
- Automobile Corporation of Goa Limited
- TML Distribution Company Limited
- Tata Motors Insurance Broking Services Limited

## (ii) Relatives of Key Management personnel

- Ms. Sonu Mani - Non Executive Director Spouse

## (iii) Post Employment Benefit Plans

- Tata Motors Finance Limited Employees Gratuity Scheme

## (C) Key Management personnel :

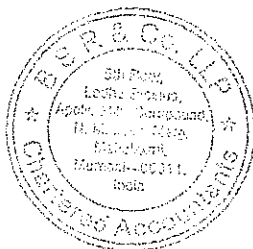
- Mr. Samrat Gupta - Chief Executive officer
- Mr. Anand Bang - Chief Financial Officer
- Mr. Naseer Munjee - Non Independent Director & Chairman
- Ms. Vedika Bhandarkar - Independent Director
- Mr. Hoshang Sinor - Independent Director
- Mr. P. D. Karkaria - Independent Director
- Mr. P. B. Balaji - Non-Executive Director
- Mr. Shyam Mani - Non Executive Director
- Mr. Mayank Pareek - Non-Executive Director
- Mr. Girish Wagh - Non-Executive Director

## (II) Transactions/Balances with Related parties

## a) Ultimate holding company

Transactions	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Incentive received	176,49.09	127,46.31
Inter-Corporate Deposits placed	150,00.00	-
Inter-Corporate Deposits repayment received	150,00.00	-
Lease charges received	3,35.59	,67.99
Security Deposit refunded	2,35.00	-
Service charges – income	1,77.00	3,75.91
Common cost reimbursement	103.86	1,01.69
Purchase of fixed assets	97.53	3,72.78
Rent – expenditure	35.95	31.32
PTC Processing Fees received	10.22	2.35
Service charges – expenses	8.40	-
Rent – income	7.17	6.33
infra support- Income	4.59	-
Interest income on Inter Corporate Deposits	3.08	-
Delinquency support	-	57.64
Information technology service charges	-	50.60

Balances	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Net Receivables	36,76.52	12,87.74	4,76.51



Notes forming part of financial statements for the year ended March 31, 2019

## b) Holding company

(₹ in lakhs)

Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Inter corporate deposits accepted	2840,00.00	525,00.00
Inter corporate deposits repaid	2890,00.00	475,00.00
Inter-Corporate Deposits placed	440,00.00	-
Inter-Corporate Deposits repayment received	440,00.00	-
Issue of Compulsorily Convertible Preference shares	370,00.00	300,00.00
Unsecured Tier-II Debentures	150,00.00	200,00.00
Issue of equity shares (including share premium)	300,00.00	300,00.00
Dividend paid on equity shares	80,88.79	51,57.10
Interest expense on unsecured Tier-II debenture	23,87.61	19.73
Dividend paid on compulsorily convertible preference	12,30.00	18,45.00
Rent – Expenses	6,87.29	8,43.35
Interest expense on inter corporate deposits	3,65.54	1,39.14
Common cost sharing	91.76	62.02
Interest Income on Inter Corporate Deposits	48.16	-
Reimbursement of expenses received	-	32.83
Advance given	-	5.00
Advance received back	-	5.00

(₹ in lakhs)

Balances	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Net receivable			
Net payable	6,07.41	50,30.40	-
Net payable- debenture	350,00.00	200,00.00	-

## c) Other Related Parties

Fellow subsidiary of Holding Company

(₹ in lakhs)

Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Inter corporate deposits repaid	2570,00.00	1064,00.00
Inter corporate deposits accepted	2570,00.00	1064,00.00
Service providers' fees – income	22,10.05	23,99.22
Interest expenses on inter corporate deposits	5,14.10	4,14.02
Dividend paid on equity shares	2,78.40	1,85.48
Reimbursement of other expenses received	1,08.41	72.61
Reimbursement of refurbishment expenses	-	4.09
Assignment of receivable	-	55,717.21

(₹ in lakhs)

Balances	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Net receivable			
Tata Motors Finance Solutions Limited	-	-	3,86.25
Net payable			
Tata Motors Finance Solutions Limited	4,77.26	5,78.41	-

Fellow Subsidiaries &amp; Associates of ultimate holding company

(₹ in lakhs)

Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Concorde Motors (India) Limited</b>		
Commission - expenditure (includes unamortised)	5,04.54	3,74.82
Purchase of fixed assets	66.89	6,44.96
Lease charges received	1,65.45	61.08
Capital advances given	-	-
Car maintenance charges	-	0.44
<b>Tata Technologies Limited</b>		
Dividend received	2,43.60	3,24.80
Information technology support service charges	3,05.93	3,79.32
Interest on long term debenture	55.00	55.00
<b>Tata Precision Industries (India) Limited</b>		
Interest Income on investment in non-convertible	35.00	35.00
<b>Automobile Corporation of Goa Limited</b>		
Dividend received	8.46	8.46
<b>Tata Motors Insurance Broking Services Limited</b>		
Infra support income	0.35	-
<b>TML Distribution Company Limited</b>		
Advance for purchase of Vehicles	-	17.87
Processing Fees	0.13	-

Notes forming part of financial statements for the year ended March 31, 2019

Balances	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Investment in debenture</b>			
Tata Precision Industries (India) Limited	3,50.00	3,50.00	3,50.00
<b>Net receivable</b>			
Tata Precision Industries (India) Limited	1.53	17.45	-
Tata Motors Insurance Broking Services Limited	0.35	-	-
TML Distribution Company Limited	-	-	-
<b>Net payable</b>			
Concorde Motors (India) Limited	1,69.76	1,55.07	11.33
Tata Technologies Limited	5,91.67	6,29.10	5,01.48

## Transactions and balances with Key Management personnel and their relatives

Particulars	(₹ in lakhs)	
	March 31, 2019	March 31, 2018
Interest paid on unsecured perpetual debentures	4.54	4.54
Net payable debentures	40.00	40.00

## (c) Key management personnel remuneration

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Short term employee benefits*	466.51	374.53
<b>Total</b>		

\* Expenses towards provision for gratuity and leave encashment which are determined on actuarial basis at an overall Company level are not included in the above information.

## (d) Post Employment Benefit Plans

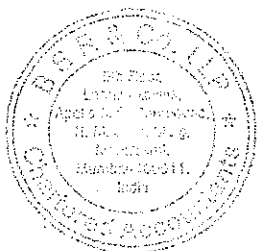
Particulars	(₹ in lakhs)	
	March 31, 2019	March 31, 2018
Recovery of gratuity paid to employees	212.85	132.94

Balances	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Net receivable	88.69	273.81	29.33

## Terms and Conditions of Transaction with Related Parties:

The transaction with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The above transactions are as per the approval of Audit Committee.

The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.





Notes forming part of financial statements for the year ended March 31, 2019

## Note 39

## Fair value measurements

## Financial Instruments by categories

The following table presents the carrying amounts of each category of financial assets and liabilities as at March 31, 2019:

(₹ in lakhs)

Financial assets	Amortised cost	FVTOCI	FVTPL	Total carrying value
(a) Investments-other than Subsidiaries	413,56.94	77,97.44	97,29.40	588,83.78
(b) Loans	29995,56.80	-	-	29995,56.80
(c) Trade & other receivables	42,78.47	-	-	42,78.47
(d) Cash and cash equivalents	700,79.63	-	-	700,79.63
(e) Other bank balances	977,83.10	-	-	977,83.10
(f) Other financial assets	138,90.37	-	-	138,90.37
(g) Derivative financial instruments	-	-	1,17.79	1,17.79
<b>Total</b>	<b>32269,45.31</b>	<b>77,97.44</b>	<b>98,47.19</b>	<b>32445,89.95</b>

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Total carrying value
(a) Borrowings	17933,78.96	-	-	17933,78.96
(b) Debt securities	9328,45.12	-	-	9328,45.12
(c) Trade & other payables	279,30.52	-	-	279,30.52
(d) Subordinated liabilities	2002,54.92	-	-	2002,54.92
(e) Derivative financial instruments	-	2,30.85	-	2,30.85
(f) Other financial liabilities	220,76.40	-	-	220,76.40
<b>Total</b>	<b>29764,85.92</b>	<b>2,30.85</b>	<b>-</b>	<b>29767,15.77</b>

The following table presents the carrying amounts of each category of financial assets and liabilities as at March 31, 2018:

(₹ in lakhs)

Financial assets	Amortised cost	FVTOCI	FVTPL	Total carrying value
(a) Investments-other than Subsidiaries	6,39.98	72,69.76	95,42.80	174,52.54
(b) Loans	21543,79.85	-	-	21543,79.85
(c) Trade & other receivables	23,66.49	-	-	23,66.49
(d) Cash and cash equivalents	189,05.98	-	-	189,05.98
(e) Other bank balances	645,77.61	-	-	645,77.61
(f) Other financial assets	18,58.27	-	-	18,58.27
<b>Total</b>	<b>22427,28.18</b>	<b>72,69.76</b>	<b>95,42.80</b>	<b>22595,40.75</b>

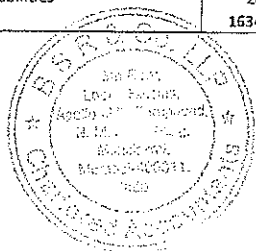
Financial liabilities	Amortised cost	FVTOCI	FVTPL	Total carrying value
(a) Borrowings	9041,73.84	-	-	9041,73.84
(b) Debt securities	9459,51.35	-	-	9459,51.35
(c) Trade & other payables	181,34.46	-	-	181,34.46
(d) Subordinated liabilities	1751,81.80	-	-	1751,81.80
(e) Derivative financial instruments	-	-	-	-
(f) Other financial liabilities	229,41.79	-	-	229,41.79
<b>Total</b>	<b>20663,83.24</b>	<b>-</b>	<b>-</b>	<b>20663,83.24</b>

The following table presents the carrying amounts of each category of financial assets and liabilities as at April 01, 2017:

(₹ in lakhs)

Financial assets	Amortised cost	FVTOCI	FVTPL	Total carrying value
(a) Investments-other than Subsidiaries	6,39.98	78,18.47	188,60.30	273,18.75
(b) Loans	16481,85.98	-	-	16481,85.98
(c) Trade & other receivables	13,96.34	-	-	13,96.34
(d) Cash and cash equivalents	215,45.00	-	-	215,45.00
(e) Other bank balances	573,45.40	-	-	573,45.40
(f) Other financial assets	21,85.23	-	-	21,85.23
<b>Total</b>	<b>17312,97.93</b>	<b>78,18.47</b>	<b>188,60.30</b>	<b>17579,76.70</b>

Financial liabilities	Amortised cost	FVTOCI	FVTPL	Total carrying value
(a) Borrowings	7553,29.92	-	-	7553,29.92
(b) Debt securities	6854,35.56	-	-	6854,35.56
(c) Trade & other payables	224,72.07	-	-	224,72.07
(d) Subordinated liabilities	1501,75.08	-	-	1501,75.08
(e) Other financial liabilities	209,02.81	-	-	209,02.81
<b>Total</b>	<b>16343,15.43</b>	<b>-</b>	<b>-</b>	<b>16343,15.43</b>



Notes forming part of financial statements for the year ended March 31, 2019

## Fair value hierarchy

Set out below, is a comparison by class of carrying amounts and fair value of the Company's financial assets/liabilities, other than those with the carrying amounts that are reasonable approximations of fair values:

Particulars	As at March 31, 2019					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	175,26.84	175,26.84	55,40.14	-	119,86.70	175,26.84
(b) Derivative instruments	1,17.79	1,17.79	-	1,17.79	-	1,17.79
Total	176,44.64	176,44.64	55,40.14	1,17.79	119,86.70	176,44.64

Particulars	As at March 31, 2019					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost for which fair value is disclosed						
(a) Loans	29995,56.80	29966,57.79	-	-	29966,57.79	29966,57.79
Total	29995,56.80	29966,57.79	-	-	29966,57.79	29966,57.79

Particulars	As at March 31, 2019					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value						
(a) Derivative instruments	2,30.85	230.85	-	2,30.85	-	2,30.85
Total	2,30.85	2,30.85	-	2,30.85	-	2,30.85

Particulars	As at March 31, 2019					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortised cost for which fair value is disclosed						
(a) Borrowings	3573,99.43	3,56,983.73	-	3569,83.73	-	3569,83.73
(b) Debt securities	3721,81.29	3,78,885.86	-	3788,85.86	-	3788,85.86
(c) Subordinated liabilities	2002,54.92	2,14,514.50	-	2145,14.50	-	2145,14.50
Total	9298,35.64	9503,84.09	-	9503,84.09	-	9503,84.09

Particulars	As at March 31, 2018					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	168,12.56	168,12.56	60,37.59	-	107,74.97	168,12.56
Total	168,12.56	168,12.56	60,37.59	-	107,74.97	168,12.56

Particulars	As at March 31, 2018					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost for which fair value is disclosed						
(a) Loans	21543,79.85	21549,86.39	-	-	21549,86.39	21549,86.39
Total	21543,79.85	21549,86.39	-	-	21549,86.39	21549,86.39

Particulars	As at March 31, 2018					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortised cost for which fair value is disclosed						
(a) Borrowings	1477,58.07	1468,26.41	-	1468,26.41	-	1468,26.41
(b) Debt securities	3831,09.30	3923,43.05	-	3923,43.05	-	3923,43.05
(c) Subordinated liabilities	1751,81.80	1725,48.46	-	1725,48.46	-	1725,48.46
Total	7060,49.17	7117,17.92	-	7117,17.92	-	7117,17.92

Particulars	As at April 01, 2017					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	266,78.77	266,78.77	159,03.80	-	107,74.97	266,78.77
Total	266,78.77	266,78.77	159,03.80	-	107,74.97	266,78.77

Particulars	As at April 01, 2017					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost for which fair value is disclosed						
(a) Loans	16481,85.98	16613,92.09	-	-	16613,92.09	16613,92.09
Total	16481,85.98	16613,92.09	-	-	16613,92.09	16613,92.09

Particulars	As at April 01, 2017					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortised cost for which fair value is disclosed						
(a) Borrowings	1127,87.65	1167,48.37	-	1167,48.37	-	1167,48.37
(b) Debt securities	4194,81.68	4364,25.47	-	4364,25.47	-	4364,25.47
(c) Subordinated liabilities	1501,75.08	1734,44.76	-	1734,44.76	-	1734,44.76
Total	6824,44.41	7266,18.60	-	7266,18.60	-	7266,18.60

Notes forming part of financial statements for the year ended March 31, 2019

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

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

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

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2019, 2018 and 2017.

Valuation technique used to determine fair value of financial instruments

- (a) Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable are classified in level 2.
- (b) The fair value of loans arising from financing activities has been estimated by discounting expected cash flows using rates at which loans of similar credit quality and maturity would be made and internal assumptions such as expected credit losses and estimated collateral value for repossessed vehicles as at March 31, 2019 and 2018. Since significant unobservable inputs are applied in measuring the fair value of loans arising from finance activities are classified in Level 3.
- (c) The fair value of borrowings is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity and credit quality are classified in level 2.
- (d) The fair value of the long term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts.
- (e) Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at FVTOCI as the directors believes this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.
- (f) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially 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.

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of other financial assets and other financial liabilities other than those disclosed in table above valued at level 2 and level 3 are considered to be the same as their fair values due to the short term maturities of instruments and no material differences in the values.

Reconciliation of level 3 fair value measurement is as below :

Particulars	₹ in lakhs	
	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	107,74.97	107,74.97
Additions during the year	-	-
Fair value changes during the year	1,211.73	-
Balance at the end of the year	119,86.70	107,74.97



Notes forming part of financial statements for the year ended March 31, 2019

## Note 40

## Financial risk management

The Company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the unpredictability of these elements and seek to minimise the potential adverse effects on its financial performance. Centralised treasury department and risk management department advises on financial risks and the appropriate financial risk governance framework for the Company and provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

All hedging activities are carried out by Centralised treasury department possessing the appropriate skills, experience and supervision. The Company's policy is to hedge the exposure by taking derivative instruments and not to trade in derivatives for speculative purposes.

## (A) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its

- operating activities, primarily loans arising from financing activities;
- investing activities, including primarily investments in debt securities, preference shares, equity shares and mutual fund schemes; and
- financing activities, including term deposits and balances with banks and financial institutions and other financial instruments.

## Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, time deposits with banks, loans arising from financing activities, investment in debt instruments, derivative instruments, trade receivables and other financial assets excluding equity investments.

## Financial assets that are neither past due or impaired

Credit risk on cash and cash equivalents and deposits with banks/financial institutions is generally low as the said deposits have been made with banks/financial institution who have been assigned high credit rating by international/domestic rating agencies.

Credit risk on derivative instruments is generally low as the Company enters into derivative contracts with reputed banks.

Investments of surplus funds are made only with internally approved financial institutions/counter party and primarily include investments in mutual funds and bank deposits.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding the derivative contracts, trade receivables and other financial assets are neither impaired nor past due, there were no indications as at March 31, 2019, that defaults in payment obligations will occur.

## (i) Loans arising from financing activities - Credit quality of financial assets and impairment loss

The carrying amount of loans represent the maximum credit exposure net of provision for impairment. The maximum exposure to credit risk was Rs. 29995,56.80 lakhs as of March 31, 2019 (31 March, 2018 - Rs. 21543,73.55 lakhs and 01 April, 2017 - Rs. 16481,85.98 lakhs)

Loans are derived from financing activities to customers. Credit risk for loans is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Company grants credit terms in the normal course of business. Credit risk is monitored by the credit risk department of the Company independent Risk department/function who have the responsibility for reviewing and managing credit risk.

For the loans financed to customers the Company covers/secures the credit risk associated with the loans lent to customers by creating an exclusive charge/hypothecation/security on the assets as mentioned/specified in the loan agreement with the customers.

The Company does not have a high concentration of credit risk to a single customer exceeding 10% of Company revenue. Single largest customer have the total exposure in loan outstanding is of Rs. 38,55.18 lakhs as of March 31, 2019 (March 31, 2018 - Rs. 23,82.10 lakhs and April 01, 2017 - Rs. 36,79.46 lakhs).

On account of adoption of Ind AS 109, the Company uses the 3 staging Expected Credit Loss (ECL) model to assess the provision for impairment loss allowance. The model takes into account a continuing credit evaluation of Company's customers' financial condition; ageing of loans; the value and adequacy of collateral received from the customers; the Company's historical loss experience; and adjusted for forward looking information. The Company defines default as an event when there is no reasonable expectation of recovery.

The Company makes allowances for losses on its portfolio of loans on the basis of expected future collection from receivables. The future collection are estimated on the basis of past collection trend which are adjusted for changes in current circumstances as well as expected changes in collection on account of future with respect to certain macro economic factor.

The following table provides information about the credit quality of financial assets and impairment loss

The ageing of loans as of balance sheet date is given below. The ageing analysis have been considered from the due date.

Loans	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Gross carrying amount	Impairment allowance	Net amount	Gross carrying amount	Impairment allowance	Net amount	Gross carrying amount	Impairment allowance	Net amount
Current (not past due)	23364,67.54	124,65.06	23240,02.48	14721,99.25	129,53.34	14592,45.91	10571,46.03	141,26.12	10430,19.91
01-30 days past due*	3987,34.42	57,65.61	3929,68.81	4787,75.39	130,87.66	4656,87.73	3042,76.86	126,67.39	2916,09.47
31-90 days past due*	2396,17.52	155,24.22	2240,93.30	1895,29.13	171,65.58	1723,63.55	2391,33.16	278,85.87	2112,47.30
above 90 days past due*	1028,60.98	443,68.77	584,92.21	1032,90.89	462,14.54	570,76.35	1708,54.98	685,45.67	1023,09.30
Total	30776,80.46	781,23.66	29995,56.80	22437,94.66	894,21.12	21543,73.54	17714,11.03	1232,25.05	16481,85.98

\*Includes future principal instalments which are not past due aggregating to Rs. 6666,75.58 lakhs as of March 31, 2019 (March 31, 2018 Rs. 7032,56.88 lakhs; April 01, 2017 Rs. 6399,17.63 lakhs)

Changes in the allowance for credit losses in loans arising from financing activities are as follows:

	For the year ended March 31,	
	2019	2018
Balance at the beginning	894,21.12	1232,25.05
Impairment loss recognised/(reversed)	285,63.46	129,41.64
Amounts written off	(398,60.93)	(467,45.56)
Balance at the end	781,23.65	894,21.13



Notes forming part of financial statements for the year ended March 31, 2019

(B) Management of Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required.

The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

The below table analyses the Company's non-derivative and derivative financial liabilities as at the reporting date, into relevant maturity groupings based on the remaining period (as at that date) to the contractual maturity date. The amounts disclosed in the below table are the contractual un-discounted cash flows.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated/contractual interest payments as at March 31, 2019:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
(₹ in lakhs)						
<b>Non derivatives</b>						
Borrowings	17933,78.96	8561,41.82	4134,37.48	8064,67.10	85,48.21	20945,94.61
Trade and other payables	279,30.52	279,30.52	-	-	-	279,30.52
Debt securities	9328,45.12	7795,24.00	1500,01.97	473,15.54	-	9768,41.51
Subordinated liabilities	2002,54.92	493,56.47	511,22.13	893,86.39	849,61.93	2748,26.91
Other financial liabilities	220,76.40	220,76.39	-	-	-	220,76.39
Derivatives	-	-	-	-	-	-
Derivative contracts	2,30.85	-	-	2,30.85	-	2,30.85
<b>Total</b>	<b>29767,16.77</b>	<b>17350,29.21</b>	<b>6145,61.57</b>	<b>9433,99.88</b>	<b>935,10.14</b>	<b>33865,00.79</b>

Contractual maturities of borrowings includes cash flows relating to collateralized debt obligations. This represents the amount received against the transfer of loans arising from financing activities in securitisation transactions and/or direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturities of such collateralized debt obligations are as follows:

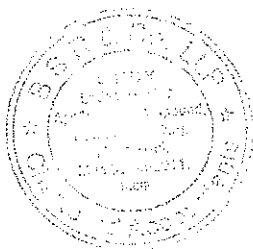
	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total contractual cash flows
(₹ in lakhs)					
Collateralized debt obligations	3047,33.38	1666,99.00	1098,90.00	578,80.00	3344,69.00

The table below provides details regarding the contractual maturities of financial liabilities, including estimated/contractual interest payments as at March 31, 2018:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
(₹ in lakhs)						
<b>Non derivatives</b>						
Borrowings	9041,73.84	4004,73.41	2526,33.42	3799,85.39	91,95.00	10422,87.22
Trade and other payables	181,34.46	181,34.46	-	-	-	181,34.46
Debt securities	9459,51.35	7796,03.88	667,35.12	1492,86.18	-	9956,25.17
Subordinated liabilities	1751,81.80	183,92.65	468,56.47	1020,13.37	852,56.31	2525,18.80
Other financial liabilities	229,41.79	229,41.78	-	-	-	229,41.78
Derivatives	-	-	-	-	-	-
Derivative contracts	-	-	-	-	-	-
<b>Total</b>	<b>20663,83.24</b>	<b>12395,46.18</b>	<b>3662,25.01</b>	<b>6312,84.93</b>	<b>944,51.31</b>	<b>23315,07.43</b>

Contractual maturities of borrowings includes cash flows relating to collateralized debt obligations. This represents the amount received against the transfer of loans arising from financing activities in securitisation transactions and/or direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturities of such collateralized debt obligations are as follows:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total contractual cash flows
(₹ in lakhs)					
Collateralized debt obligations	1320,58.31	793,85.41	454,73.76	168,44.81	1417,03.98



Notes forming part of financial statements for the year ended March 31, 2019

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at April 01, 2017:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
(₹ in lakhs)						
<b>Non derivatives</b>						
Borrowings	7553,29.92	3019,36.68	1352,74.90	4784,02.15	139,00.00	9295,13.73
Trade and other payables	224,72.08	224,72.07	-	-	-	224,72.07
Debt securities	6854,35.56	4823,54.86	1966,01.90	677,16.81	-	7466,73.58
Subordinated liabilities	1501,75.08	161,75.15	161,75.15	1150,62.88	814,62.47	2288,75.66
Other financial liabilities	209,02.81	209,02.81	-	-	-	209,02.81
<b>Derivatives</b>						
Derivative contracts	-	-	-	-	-	-
<b>Total</b>	<b>16343,15.45</b>	<b>8438,41.58</b>	<b>3480,51.96</b>	<b>6611,81.84</b>	<b>953,62.47</b>	<b>19484,37.85</b>

Contractual maturities of borrowings includes cash flows relating to collateralized debt obligations. This represents the amount received against the transfer of loans arising from financing activities in securitisation transactions and/or direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturities of such collateralized debt obligations are as follows:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total contractual
(₹ in lakhs)					
Collateralized debt obligations	1027,11.68	629,67.21	367,07.43	110,81.67	1107,56.31

**(C) Management of Market Risk**

Market risk comprises of foreign currency risk and interest rate risk. Interest rate risk arises from variable rate borrowings that expose the Company's financial performance, financial position and cash flows to the movement in market rates of interest. Foreign currency risk arises from transactions that are undertaken in a currency other than the functional currency of the Company.

**Foreign currency risk**

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and Loss and equity, where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company's operations are subject to risks arising from fluctuations in exchange rates primarily relating to the fluctuations in U.S. dollar against the functional currency of the Company. The Company's foreign currency exposure arises mainly from variable rate foreign currency borrowings, primarily with respect to USD.

The Company, as per its risk management policy, uses currency swaps and other derivative instruments primarily to hedge foreign exchange. Furthermore, any movement in the functional currency of the Company against USD foreign currency may impact the Company's cost of borrowings.

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

The foreign exchange rate sensitivity is calculated for USD currency by aggregation of the net foreign exchange rate exposure of a USD currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of USD currency by 10%.

The following table sets forth information relating to Company' foreign currency exposure expressed in INR as follows:

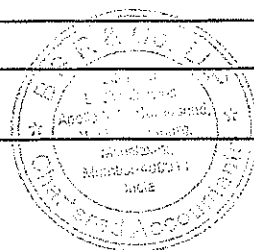
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
	USD exposure	USD exposure	USD exposure
(₹ in lakhs)			
<b>Non derivative Financial Liabilities</b>			
Borrowings- Foreign currency term loan	172,88.75	-	-
<b>Derivative financial liabilities to hedge</b>			
Forward Contract- (USD/INR)	(172,88.75)	-	-
<b>Net Exposure</b>			

**Sensitivity - Foreign Currency**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated borrowings is as follows:

	Impact on profit after tax	
	March 31, 2019	March 31, 2018
(₹ in lakhs)		
<b>USD Sensitivity</b>		
INR/USD increase by 10%*	23.09	-
INR/USD decrease by 10%*	(23.09)	-

\* Holding all other variables constant



Notes forming part of financial statements for the year ended March 31, 2019

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's borrowings with floating/variable interest rates. The Company borrows through various instruments which has floating rate/interest rate reset clause which is exposed to interest rate risk. For the foreign currency denominated floating interest rate borrowings, the Company manages its interest rate risk by entering into interest rate/coupon swap derivative instruments.

As at the end of reporting period, the Company had following variable interest rate borrowings and derivatives to hedge the interest rate risk:

	(₹ in lakhs)		
	As at March 31, 2019	As at March 31 2018	As at April 01, 2017
<b>Non derivative Financial Liabilities</b>			
Variable rate borrowings	13156,99.46	5983,92.86	5100,00.00
<b>Derivative financial liabilities to hedge interest</b>			
Coupon only swap	172,88.75	-	-
<b>Net Exposure</b>	<b>12984,10.71</b>	<b>5983,92.86</b>	<b>5100,00.00</b>

**Interest rate sensitivity analysis**

Profit or loss is sensitive to interest expense from variable rate borrowings as a result of changes in interest rate. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact (decrease/increase in case of profit/(loss) before tax of Rs. 12,984.11 lakhs and Rs. 59,83.93 lakhs on income for the year ended March 31, 2019 and 2018 respectively.

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

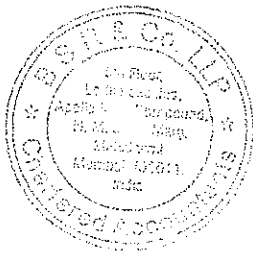
**Equity price risk**

Equity price risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments measured at fair value through other comprehensive income and fair value through profit and loss exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in equity securities as at March 31, 2019, 2018 and 2017 was Rs. 133,58.39 lakhs, Rs. 112,03.00 lakhs and Rs. 106,84.78 lakhs respectively.

	Impact on profit for the year		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Equity price Sensitivity</b>				
Increase in equity price by 10 %*	761.00	7,54.00	575.00	3,66.00
Decrease in equity price by 10 %*	(7,61.00)	(7,54.00)	(5,75.00)	(3,66.00)

(Note: The impact is indicated on equity before consequential tax impact, if any).



Notes forming part of financial statements for the year ended March 31, 2019

**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, convertible and non-convertible debt securities, 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 regulatory capital ratio viz. CRAR

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future periods. Refer the below note for dividend declared and paid.

Total debt includes all long and short-term borrowings as disclosed in notes 16 to 18 to the financial statements. Equity comprises all components excluding (profit)/loss on cash flow hedges.

Below are the key regulatory capital ratios at the period end dates

Particulars	As at March 31, 2019	As at March 31, 2018
CRAR (%)	15.25%	16.50%
CRAR - Tier I capital (%)	10.93%	10.16%
CRAR - Tier II capital (%)	4.32%	6.34%

In addition the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders which is maintained by the Company.

**(b) Dividend**

**Equity shares**

Interim dividend for the year ended March 31, 2019 - Rs. 3 (March 31, 2018 - Rs. 7.18) per fully paid up share.

**Dividends not recognised at the end of the reporting period**

In addition to the above dividends, the Board of Directors have recommended the payment of a final dividend of Rs. 6.05 per fully paid equity share of Rs. 100 each (March 31, 2018 - Rs. 12.28). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

**Note 41**

**Transfer of financial assets**

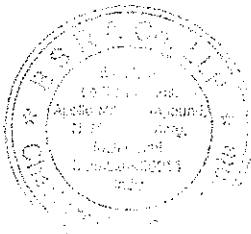
The Company transfers loans arising from financing activities through securitisation transactions. In most of these transactions, the Company also provides credit enhancements to the transferee.

Because of the existence of credit enhancements in such transactions, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset and continues to retain substantially all risks and rewards associated with the receivables, and hence, such transfer does not meet the derecognition criteria resulting into the transfer not being recorded as sale. Consequently, the proceeds received from the transfer are recorded as collateralized debt obligation.

The carrying amount of loans arising from financing activities along with the associated liabilities is as follows:

Nature of Assets	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
Loans	2996,21.07	3047,33.38	1306,91.21	1320,58.31	1004,37.76	1027,11.68

Net of provision of Rs. 38,03.29 lakhs, Rs.22,61.96 lakhs and Rs.29,00.29 lakhs as at March 31, 2019, 2018 and April 01, 2017 respectively.





Notes forming part of financial statements for the year ended March 31, 2019

Note 42

Disclosure on exposure to Infrastructure Leasing & Financial Services Limited (ILFS) and its group entities as per RBI notification DBR.BP.BC.No.37/21.04.048/2018-19 dated April 24, 2019

Position as on March 31, 2019-

(₹ in lakhs)			
Amount outstanding*	Of (1), total amount of exposures which are NPAs as per IRAC norms and not classified as NPA	Provisions required to be made as per IRAC norms	Provisions actually held
(1)	(2)	(3)	(4)
27,98.70	15,04.26	1,50.43	4,00.82


\* Includes overdue interest and overdue expenses

Note 43

Fraud

As required by Reserve Bank of India circular No RBI/2011-12/424 DN8S.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 on monitoring of frauds, the Company has reported fraud amounting to ₹2,50.41 lakhs during the period ended March 31, 2019 (during the year ended March 31, 2018: ₹ 1,59.24 lakhs and April 01, 2017 : ₹ 28.35 lakhs) vide form FMR 1.


As per our report of even date attached  
For B S R & Co. LLP  
Chartered Accountants  
Firm Registration Number: 101248W/W-10Q022



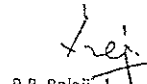
Manoj Kumar Vijai  
Partner  
Membership No. 046882

Place: Mumbai  
Date: May 06, 2019

For and on behalf of the Board of Directors




Nasser Munjee  
Chairman  
(DIN - 00010180)



P.B. Balaji  
Director  
(DIN - 02762983)

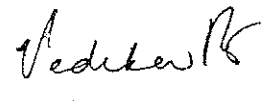


Samrat Gupta  
Chief Executive Officer

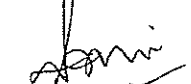


Vinay Lavannis  
Company Secretary

Place: Mumbai  
Date: May 06, 2019



Vedika Bhandarkar  
Director  
(DIN - 00033808)



Shyam Mani  
Director  
(DIN - 00273598)



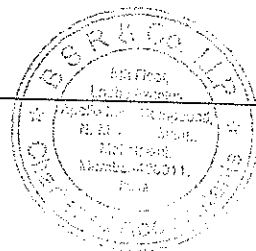
Anand Bang  
Chief Financial Officer

## Schedule to the Balance Sheet as at March 31, 2019 of a non-deposit taking non-banking financial Company

(Disclosure as per Annexure 1 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

(₹ in lakhs)

Particulars		Amount outstanding	Amount overdue
<b>Liabilities side:</b>			
(1)	Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid: *		
	(a) Debentures : Secured (Note-1)	3721,81.29	-
	: Unsecured (other than falling within the meaning of public deposits)	2002,54.92	-
	(b) Deferred Credits	-	-
	(c) Term Loans	10560,00.63	-
	(d) Inter-corporate loans and borrowings	50,00.00	-
	(e) Commercial Papers (Note-2)	5606,63.83	-
	(f) Other Loans		
	- Working capital demand loan	2645,00.00	-
	- Cash Credit		
	- From banks	1304,71.95	-
	- Collateral Debt Obligation	3047,33.38	-
	- Liability component of compound financial instruments	226,73.00	-
<b>Assets side:</b>			<b>Amount Outstanding</b>
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		-
	(b) Unsecured		-
(3)	Break up of Leased Assets and stock on hire and other assets towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		-
	(b) Operating lease		20.51
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		113,24.79
	(b) Loans other than (a) above (refer note 1 & note 2 below)		30663,55.66
(4)	Break-up of Investments:		
	<u>Current Investments:</u>		
	1 Quoted :		
	(i) Shares : (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others		-
	Investment in Senior Pass Through Certificates		-
	2 Unquoted:		
	(i) Shares : (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others		-
	<u>Long Term Investments:</u>		
	1 Quoted :		
	(i) Shares : (a) Equity (Investment in subsidiary)		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others		-
			35,91.69



2	Unquoted:			
(i)	Shares :	(a) Equity (Investment in subsidiaries)		-
		(b) Preference		2,89.98
(ii)	Debentures and Bonds			113,50.00
(iii)	Units of mutual funds			-
(iv)	Government Securities			-
(v)	Others			436,52.12
(5) Borrower group-wise classification of assets financed as in (2) and (3) above :				
		Amount net of provisions		
	Category	Secured	Unsecured	Total
1	Related Parties			
(a)	Subsidiaries			
(b)	Companies in the same group	1.58	-	1.58
(c)	Other related parties			
2	Other than Related Parties			
		30776,99.38	-	30776,99.38
	Total	30777,00.96	-	30777,00.96
(6) Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted):				
	Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provision)	
1	Related Parties			
(a)	Subsidiaries	-		-
(b)	Companies in the same group	159,59.11		159,59.11
(c)	Other related parties	-		-
2	Other than Related Parties			
	<u>Quoted</u>			
	Investment in Equity Shares	2,59.26		2,59.26
	<u>Unquoted</u>			
	Investment in NCDs	-		-
	Investment in Senior Pass Through Certificates	-		-
	Investment in Units of Mutual fund	-		-
	Others	-		-
	Total	426,65.42		426,65.42
		588,83.78		588,83.78
(7) Other information				
Particulars				
(i)	Gross Non-Performing Assets			
(a)	Related parties			-
(b)	Other than related parties			1013,56.72
(ii)	Net Non-Performing Assets			
(a)	Related parties			-
(b)	Other than related parties			569,87.95
(iii)	Assets acquired in satisfaction of debt			-

Note 1: Includes Zero coupon debentures of Rs. 1723,85.33 lakhs, net of unamortised premium on redemption and unamortised borrowing cost of Rs. 179,01.47 lakhs.

Note 2: Commercial Paper of Rs. 5606,63.83 lakhs are net of unamortised discounting charges and unamortised borrowing cost amounting to Rs. 83,36.16 lakhs.

CERTIFIED TRUE COPY  
TATA MOTORS FINANCE LIMITED  
(Formerly Sheba Properties Limited)

Company Secretary  
Mumbai

Date : May 06, 2019

Nasser Manjee  
Chairman  
(DIN - 00010180)

P.B. Balaji  
Director  
(DIN - 02762983)

Samrat Gupta  
Chief Executive Officer

Vinay Lavannis  
Company Secretary

Vedika Bhandarkar  
Director  
(DIN - 00033808)

Shyam Mani  
Director  
(DIN - 00273598)

Anand Bang  
Chief Financial Officer

TATA MOTORS FINANCE LIMITED  
(FORMERLY KNOWN AS SHEBA PROPERTIES LIMITED)

DIRECTORS' REPORT  
MARCH 2019

CERTIFIED TRUE COPY  
TATA MOTORS FINANCE LIMITED  
(Formerly Sheba Properties Limited)

  
Company Secretary

To,  
**THE MEMBERS**  
**TATA MOTORS FINANCE LIMITED**  
**(Formerly known as Sheba Properties Limited)**

The Directors feel privileged to present the 30<sup>th</sup> Annual Report on the business and operations of the Company and the statement of accounts for the year ended March 31, 2019.

## **1. BACKGROUND**

Tata Motors Finance Limited (hereinafter referred as 'TMFL' or 'Company' (Formerly known as Sheba Properties Limited), is a subsidiary company of TMF Holdings Limited (Formerly Tata Motors Finance Limited), a Core Investment Company. The Company is registered with the Reserve Bank of India (RBI), under Section 45-IA of the RBI Act 1934, as a 'Systemically Important, Non-Deposit taking Non-Banking Finance Company (NBFC), reclassified vide circular dated 22<sup>nd</sup> February 2019 as NBFC-Investment and Credit Company (NBFC-ICC)

## **2. ECONOMIC AND INDUSTRY OVERVIEW**

### **Economic Overview**

Indian Economy in Fiscal 2019 grew at 6.8% . The year continued to see recovery from demonetisation and the initial disruption caused by the GST implementation. The economy grew mainly on account of public investment cylinder and improved industrial activity. Economic activity was mainly impacted in later half of the year as Global financial market sentiment turned cautious in the wake of rising trade tensions, slowing down of the global economy and dovish monetary policy stances. This was further aggravated by liquidity crisis and heightened risk aversion seen post the Infrastructure Leasing & Financial Services Limited (IL&FS) default event.

In fiscal FY20, GDP is expected to grow at 7.0% primarily on the assumptions of normal monsoon, lower oil prices over FY19 and stable political outcome. With the government likely to stick to fiscal consolidation path, pick up on growth is expected to be only gradual. Change in growth mix expected with push primarily coming from private sector as the room for public investments remains slow on account of fiscal limitations.

## **Automotive Industry overview**

During the financial year 2018-19, Indian automotive industry witnessed moderation in growth, as adverse impact of tightening financing environment & rising interest rates following the liquidity crunch impacted the Auto sales. Overall domestic Passenger & Commercial vehicle sales in FY19 stood at 4.38 million units as against 4.14 million units, a growth of 5.8% YoY.

The domestic Commercial Vehicle (CV) industry sales volumes grew by 17.6% in FY19 over FY18, with medium and Heavy CV (M&HCV) sales growth of 15.3%. Growth in sales was aided by healthy demand from freight generation sectors and government's focus on infrastructure development, road construction, building of irrigation facilities and affordable housing projects. Light Commercial Vehicles (LCVs) reported a healthy growth of 20.8% aided by driven by healthy demand from ecommerce, consumption and logistics sectors.

Domestic Passenger Vehicle (PV) industry grew by just 2.7% YoY, as the rise in overall cost of ownership impacted the PV Sales. Rising fuel prices, higher insurance cost and interest rates impacted demand.

Given the ongoing Lok Sabha elections, consumer sentiments remain cautious and will likely impact Auto sales in FY 20 . However, we expect the sale to recover given higher demand from consumption driven sectors and thrust on infrastructure projects. Moreover, expect potential pre-buying ahead of the implementation of BS-VI emission norms effective from April 2020 given the price of BSVI vehicles will increase as compared to BS IV .

## **NBFC Sector Overview**

Retail-NBFC AUM stood at Rs. 8.4 trillion as on December 31, 2018, registering a year-on-year (YoY) growth of 21.5%. Key segments contributing to overall growth were LAP+SME, CV, personal credit (unsecured including consumer durables) and microfinance, that accounts for ~63% of the total Retail-NBFC credit.

Since September 2018 NBFC's had been facing the liquidity issues and with constrained funding availability cost of funds has gone up by about 100-125 bps since H1FY2019, which had an impact on their earnings profile and moderation in portfolio growth. NBFCs reduced their dependence on short-term (ST) funding (commercial papers) and witnessed a jump in loan sell-downs (portfolio securitisation and direct assignment) to manage the

liquidity crunch. However, tightening liquidity environment has brought strong focus on asset-liability maturity management across the industry.

Retail-NBFCs are likely to register AUM growth of 16-18% in FY2019. ICRA expects growth to moderate further in H1 FY2020 because of the ongoing liquidity conditions and the general elections in Q1 FY2020, revival could be anticipated in H2 FY2020. ICRA expects the NBFC credit growth in FY2020 to be about 15-17% and NBFC-Retail credit is expected to cross Rs 10 trillion; however, some asset quality pressures are expected given weak operating environment and increase in systemic rates and tightening market liquidity. NBFC's will continue to play a key role in Indian financial system as long as growth drivers remain intact

### 3. FINANCIAL RESULTS

(Figures in Crore)

PARTICULARS	F.Y. 2018-19	F.Y. 2017-18
Total Income	3,248.49	2,444.18
Less: Finance Costs	2,040.57	1,416.54
Impairment of financial instruments and other assets	285.87	104.95
Employee benefits expenses	284.71	255.87
Expenditure	482.68	445.66
Depreciation / Amortization	16.78	12.55
<b>Profit Before Exceptional Item</b>	<b>137.88</b>	<b>208.60</b>
Exceptional item	-	-
<b>Profit Before Tax</b>	<b>137.88</b>	<b>208.60</b>
Less: Tax Expense	(66.00)	(63.49)
<b>Profit After Tax</b>	<b>203.88</b>	<b>272.09</b>
Other comprehensive income forming part of Retained earnings	4.02	6.87
<b>Total comprehensive income for the year</b>	<b>207.90</b>	<b>278.96</b>
Balance brought forward from previous year (distributable)	205.75	60.37
Amount Available for Appropriations	<b>413.65</b>	<b>339.33</b>
<b>APPROPRIATIONS</b>		
Statutory Reserve	40.78	65.52

Dividend on equity shares	66.15	14.74
Interim dividend on equity shares	17.52	38.68
Tax on Dividend	23.52	14.63
Surplus carried to Balance Sheet	<b>265.68</b>	<b>205.76</b>

The Company has transferred 20% of the net profit after taxes i.e., Rs. 40.78 Crore to Statutory Reserve created pursuant to the provisions of the RBI Act, 1934.

#### 4. DIVIDEND

The Board of Directors, at its meeting held on March 20, 2019 had recommended interim dividend of Rs. 3/- per Equity Shares of face value of Rs.100/- each aggregating to Rs. 17,51,54,079/- (Rupees Seventeen Crore Fifty One Lakh Fifty Four Thousand and Seventy Nine Only) and it was paid on March 25, 2019. Further, the Board of Directors, at its meeting held on May 6, 2019 had recommended a final dividend of Rs. 6.05 per equity share of Rs. 100 each (6.05%), Rs 8.2 per CCPS of Rs 100 each (8.2 %) and Rs. 10 per CCPS of Rs. 100 each (10%), subject to approval of the members of the company at the forthcoming Annual General Meeting. In terms of Indian Accounting Standard (AS) 10 'Events after Reporting Date' as notified by the Ministry of Corporate Affairs notified under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rule 2015 as amended, the Company has not appropriated proposed dividend including tax from Statement of Profit and Loss for the year ended March 31, 2019. Dividend will be payable to those Members whose names appear in the Register of Members as on May 24, 2019 i.e., the date of book closure/record date or the list of beneficiaries provided by depositories for dematerialised securities as of May 24, 2019. The proposed dividend on equity shares and CCPSs and interim dividend paid during the year on equity shares will absorb a sum of Rs. 118.39 crore excluding taxes.

#### 5. OPERATIONS

During the financial year 2018-19, the Company recorded new vehicle disbursements of Rs. 18,991 crore a growth of 38% in comparison to FY2017-18 disbursements of Rs. 13,792 crore. The Company financed overall 1,88,687 units of vehicles as compared to 1,58,308 units in FY 2017-18, registering a growth of 19%. Commercial Vehicle financing contracts grew by 23% to 1,42,187 units in FY 2018-19 as compared to 115,689 units in FY 2017-18. The



Passenger vehicle financing contracts grew by 8% to 45,965 units as compared to 42,468 units in FY 2017-18.

During the financial year ended March 31, 2019, the Company earned a total income of Rs. 3,248.49 crore as compared with Rs. 2,444.18 crore in FY 2017-18, profit before tax (PBT) of Rs. 137.88 crore as against Rs. 208.60 crore in FY 2017-18 and profit after tax of Rs. 203.88 crore as against Rs.272.09 crore in FY 2017-18.

## 6. FINANCE

During FY 2018-19, the Company met its funding requirements through a combination of short term debt (comprising Commercial Papers, Inter-corporate Deposits ("ICDs") and Bank Loans) and long term debt (comprising Non-Convertible Debentures ("NCDs") and Bank Loans). The total borrowings as of March 31, 2019 stood at Rs. 29,265 crore comprising mainly of Bank Borrowings of Rs. 14,610 crore, Commercial Papers amounting to Rs. 5,607 crore, and Non-Convertible Debentures (including Perpetual Debt) of Rs. 5,724 crores. The weighted average cost of borrowings for the year ended March 31, 2019 was 8.56% per annum on average borrowings of Rs. 21,556 crore. The Debt / Equity ratio as on March 31, 2019 was 9.86 times. The Company has been regular in servicing all its debt obligations.

## 7. CREDIT RATING

The ratings assigned to the Company in respect of borrowings are as follows:

No.	Instrument	CRISIL	ICRA	CARE
1.	Commercial Paper	CRISIL A1+	ICRA A1+	CARE A1+
2	Short Term Bank Facility	CRISIL A1+	ICRA A1+	NA
3	Long Term Bank Facility	CRISIL AA/ Negative	ICRA AA/ Negative	CARE AA/ Stable
4	Non-Convertible Debenture	CRISIL AA/ Negative	ICRA AA/ Negative	CARE AA/Stable
5	Subordinated Tier II Debenture	CRISIL AA/ Negative	ICRA AA/ Negative	CARE AA/Stable
6	Perpetual Debt	CRISIL A+/ Negative	ICRA A+/ Negative	CARE A +/Stable

## 8. CAPITAL ADEQUACY

The Company's Capital adequacy as of March 31, 2019 is 15.25% (March 31, 2018: 16.50%), which is higher than the RBIs mandated level of 15.0%.

## 9. ASSIGNMENT OF RECEIVABLES

### A) SECURITISATION

During the year, the Company concluded 9 securitisation transactions by assigning future loan receivables including future interest aggregating to Rs.3645.35 crore (Principal Outstanding Rs. 3,125.30 crore) to Special Purpose Vehicle (SPVs). As the transactions were par structures, the consideration received by the Company amounted to Rs. 3,113.03 crore. The pool of receivables was assigned AAA (SO) or its equivalent rating by various rating agencies. In order to secure the interests of the investors, the Company extended credit enhancement support of Rs. 447.95 crore by way of First Loss Facility (FLF), second Loss Facility (SLF) and Subordinate Tranche which constituted 14.39% of the pool Principal, in addition to subordination of Excess Interest Spread (EIS) in the pools.

Under Ind AS 109, current securitisation structure does not meet the de-recognition criteria as company has not transferred the complete risk to the transferee. Hence, company has to re-recognised securitised pools in the books of accounts.

### B) DIRECT ASSIGNMENT

During the year, the Company also concluded 2 direct assignment transactions by assigning future loan receivables including future interest in the pool, aggregating to Rs. 844.92 crore (Principal Outstanding Rs. 731.82 crore). As the transactions were par structures, the Company received the value of 90% of principal outstanding against assigned contracts, the balance 10% was retained by the Company in complying with the minimum retention requirement (MRR) as prescribed by RBI. Unlike securitisation, the company is not required to offer credit enhancements in any form and retain any exposures other than the stipulated MRR.

While assigning the receivables by way of Securitisation & Direct Assignment as above, the Company has complied with the Minimum Holding Period (MHP) & Minimum Retention Requirement (MRR) in line with the revised Guidelines on Securitisation and direct assignment transactions dated 21st August 2012 issued by RBI

## **10. SHARE CAPITAL**

During the year under review, the Company has issued and allotted 45,11,278 Equity Shares of Rs. 100/- each at a premium of Rs. 565/- aggregating to Rs.300 crore and 3,48,00,000 Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each at a premium of Rs. 100/- aggregating to Rs.696 Crores.

As at March 31, 2019, the Authorised Share Capital of the Company was Rs. 2000,00,00,000 (Rupees Two Thousand Crore) and Paid-Up Share Capital was Rs. 1054,96,13,043/- (Rupees One Thousand Fifty Four Crore Ninety Six Lakhs Thirteen thousand Forty Three only).

## **11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company since the Company is an Investment Credit Company. During the FY 2018-19, the Company did not make any investment or provide any guarantee in violation to the provisions of Section 186 of the Companies Act, 2013.

## **12. HUMAN RESOURCES**

Human resources played an integral role to drive a performance oriented work culture and improve organizational effectiveness while helping to align strategy and achieve business success. Key focused interventions / initiatives implemented during FY 18-19 are:

- Launched "One TMF, One R&R –Wolfpack Awards framework" with standard parameters of Rewards & Recognitions across organization to drive uniformity and better alignment to the overall organization priorities
- A quarterly incentive called Organisational Performance Indicator (OPI Incentive), was introduced for the support group to align support groups with business team in collective ownership of Organisation success.
- An intense, immersive, and engaging two-day program that incorporated real-world sales conversations named "Spin Selling Conversation" and "Romancing

the Balance Sheet” which covered basic concepts of Finance Management, managing Profitability, understanding Cash Flow and managing working Capital and evaluation of Financial Performance was conducted for Senior Leaders.

- Designed a comprehensive “All-in-One” mandatory eLearning module which enabled the employees and associates to learn about guidelines and regulations led by various legal entities like TATA Group Ethics Council, TMF Ethics Council, RBI, Prevention of Sexual Harrasment Act and so on.
- People Managers in Sales function went through Relationship Based Selling Skills program to hone the necessary skillset required to build better relationship, cross sell and negotiate effectively. This was a flagship program identified as a critical training need.
- To simplify and make our HR system user friendly, we launched the HR Mobile App which enabled users to access our policies & benefits anytime anywhere. Various features like marking attendance & time-off, managing expenses and accessing Performance Management were added in this app.
- To infuse fresh talent, we hired 114 Management Trainees (MT) across regions with focussed hiring of female MTs at 48%. We designed pre-engagement events on TATA and TMF culture through our innovative corporate social networking platform - Learn, Engage On the Go (#LEON). This resulted in 99% of MTs participating with 2000+ collaborative learning responses & helped us in achieving offer to joining ratio of 97%. The On-boarding process was automated along with a structured 2-month induction program with ‘On the job training’.
- Our Employee Engagement Score stood at 95%, which is above Asia and Industry benchmarks. The survey was conducted by Willis Tower Watson.
- This year was eventful as we received 10 awards; namely
  - “Dream Companies to Work For 2019 – Financial Sector and Innovative CSR Practices” presented by ET Now and World HRD/CSR Congress,”
  - 7 Awards at “She Leads Summit & Awards 2018” for our female leaders
  - “Innovative Practice Award - “Wolfpack Culture” at Finnoviti Awards conducted by Banking Frontiers
- Through our employee volunteering program- IMPACT, we clocked 12000 plus employee volunteering hours which is 114% higher than the hours we clocked in FY 17-18.

- SPARSH 2.0, our new AV based employee communication initiative was launched this year and was shortlisted under Regional Innovista at Group Global Level under the category "Design Honour"
- TMFL has experienced 14% of performers attrition which is at par the industry benchmark

### **13. COMPLIANCE**

The Company has deployed "Lexcare" ("Application"), an online platform to monitor the compliances. The Application has features such as generation of compliance task alerts, generation of compliance reports and updating the compliance tasks based on regulatory & statutory developments.

During FY 2018-19, the Company has complied with its reporting requirements, including with RBI, in terms of the Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, as amended from time to time. Further, during FY 2018-19, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under section 143(12) of the Act.

The Company has complied with all the applicable laws and regulations including those of the Reserve Bank of India.

### **14. REGULATORY ACTION**

There are no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

### **15. DEPOSITS**

During the year under review, the Company has not accepted any deposit under Section 2(31) and Section 73 covered under Chapter V of the Companies Act, 2013.

### **16. EXTRACT OF THE ANNUAL RETURN**

The extract of the annual return i.e. MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and