

Administration) Rules, 2014, as amended, forming part of the Directors' Report for the year ended March 31, 2019 is enclosed as an "Annexure 1" to this Report.

17. ACCOUNTS AND ACCOUNTING STANDARDS

These financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

The Company has presented a reconciliation from the presentation of financial statements under Previous GAAP to Ind AS of Shareholders' equity as at March 31, 2018 and April 01, 2017 and of the total comprehensive income for the year ended March 31, 2018. Refer Note 4 for the details of first- time exemptions availed and an explanation for the impact of transition from previous GAAP to Ind AS on the Company's financial position, financial performance and cash flows.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, are not applicable to the Company.

19. DIRECTORS

Mr. P. B. Balaji and Mr. Girish Wagh were appointed as Non Executive, Additional Directors of the Company by the Board w.e.f. January 29, 2018. Their appointments were regularized by the members at the Annual General Meeting (AGM) for the F.Y. 2017-18 held on June 06, 2018.

Mr. Hoshang Sinor whose term as an Independent Director of the Company expired on March 31, 2019 was re-appointed w.e.f. April 1, 2019 till December 05, 2019 by the Board at its meeting held on March 20, 2019 subject to approval of the members at the ensuing Annual General Meeting of the Company.

In accordance with the requirements of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shyam Mani and Mr. Girish Wagh are liable to retire by rotation at ensuing Annual General Meeting and are eligible for re -appointment. The Company has received a Notice as per the provisions of Section 160 of the Act, from a Member proposing the appointments of Mr. Shyam Mani and Mr. Girish Wagh as Directors of the Company.

All Independent directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act. The Directors have also disclosed their fit and proper status in accordance with the guidelines of RBI.

20. EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors were assisted by the Nomination and Remuneration committee (NRC). The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be. The criteria for evaluating the performance of the Board as a whole, covered various aspects of the Board's functioning such as fulfilment of key responsibilities, structure of the Board and its composition, establishment and delineation of responsibilities of the Board Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, etc. The criteria for evaluation of individual Directors covered parameters such as attendance and contribution at meetings, guidance to Management, etc. The criteria for evaluation of the Board Committees covered areas related to degree of fulfilment of key responsibilities, adequacy of Board Committee composition, effectiveness of meetings, Committee dynamics, quality of relationship of the Committee with the Board and the Management, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and the assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board, was taken into consideration by the Board in carrying out the performance evaluation.

21. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY OF THE COMPANY

The Nomination and Remuneration Committee (NRC) develops the competency requirements of the Board based on the industry and strategy of the Company and recommends the reconstitution of the Board, as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence of all Directors, before recommending them to the Board. Besides the above, the NRC ensures that the new Directors are familiarised with the operations of the Company.

In accordance with the provisions of Section 178 of the Act, the Board of Directors has adopted a Remuneration Policy. The Policy on Board Diversity and Director Attributes has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Remuneration Policy for Directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Remuneration Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

The Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the RBI Master Directions for NBFCs.

22. KEY MANAGERIAL PERSONNEL

As on the date of report, the key managerial personnel of the Company are Mr. Samrat Gupta, Chief Executive Officer, Mr. Anand Bang, Chief Financial Officer and Mr. Vinay Lavannis, Company Secretary. Further, there was no change in KMP's of the Company during the F.Y. 2018-19.

23. INTERNAL AUDIT, CONTROL SYSTEMS AND THEIR ADEQUACY

The Chief Internal Auditor of the Company, is empowered by the Audit Committee and Board of Directors to carry out Internal Audit function of the Company. The Company ensures adequate internal control systems to ensure operational efficiency, safeguarding

its assets, accuracy and promptness in financial reporting and compliance with laws and regulations from time to time. The effectiveness of the functioning of internal control systems is the responsibility of all the employees. Internal Audit Department evaluates the adequacy and effectiveness of Governance, Risk Management and Controls in the organization on a Risk Based approach under the plan approved by Audit Committee of Board. The reports are discussed and reviewed by the Senior Management and recommendations for improving the control environment are implemented on time bound manner.

The Company's Chief Internal Auditor reports functionally to the Chairman of the Audit Committee of the Board and administratively to Mr. Shyam Mani, Director. The Internal Audit function of the Company also reviews and ensures that the audit observations are acted upon on a timely basis. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of its internal controls. The Company's audit comments are also separately reviewed by the Audit Committee of Tata Motors Limited.

The Company's Internal Audit team under the guidance of the Chief Internal Auditor conducts audit of Corporate Management functions and branch operations. Chartered Accountant firms M/s. Deloitte Touché Tohmatsu India LLP, PKF Sridhar & Santhanam LLP, M/s T R Chaddha & Company LLP and M/s Mahajan & Aibara have been appointed to support the Internal Audit Department of the Company for conducting audit of Corporate Management Function and branch operations.

24. INTERNAL FINANCIAL CONTROLS

The Company has in place the approved policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Companies' policies, safeguarding of assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Company has adopted 'Committee of Sponsoring Organizations (COSO) 2013' as its internal controls framework which covers all the essential components of internal controls as stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India and required by the Companies Act, 2013. The Company has in place the documented Standard Operating Procedures, documented process flows and the Risk Control Matrices (RCMs) for the key processes which are updated, validated and tested periodically.

During the year, Company appointed Ernst & Young LLP (EY) for testing the design and implementation and operating effectiveness of the internal controls. Based on the results of such assessment, Company has determined that Company's Internal financial Controls were adequate and effective during the financial reporting as at March 31, 2019.

25. RISK AND CONCERNS

The Company recognizes the importance of risk management on account of increased competition and market volatility in the financial services business. The Company regularly reviews all the Key risks prioritized for Management as a part of its enterprise risk management framework with Risk Management Committee' of Directors. By design, the Company caters to some high risk profile customers. The Company has a well-developed and robust credit appraisal process which is reviewed from time to time, as required, to address any regulatory changes in the financial sector.

The 'Asset Liability Supervisory Committee' of Directors continued to closely monitor mismatches of assets liabilities and the 'Risk Management Committee' of Directors oversees the management of the integrated risks of the Company.

For the financial year 2018-19, the Company has consciously re-aligned assets and its customer profile mix in sourcing to build a risk balanced portfolio. Risk scoring model (RSPM) has been effectively leveraged for sourcing lower-risk profiles. Behavioural scorecards and recovery models have been comprehensively used to decide collection strategy on all delinquent cases. Gross Non Performing Asset (GNPA) & Net Non Performing Asset (NNPA) charge have been optimized while prioritizing repossessions and vehicle-sale using advanced collection analytics. Implementation of the sourcing & collections initiatives using analytics has started showing positive results in delinquency & Non Performing Asset (NPA) charge.

The Company is a strong user of analytics and has invested significantly in human capital and technology in the area of analytics. Risk scoring models are deployed for sourcing and collections. Necessary tools and software have been deployed in the last year to enhance the analytical capabilities of the organization, a team of qualified statisticians and domain experts are engaged in developing necessary statistical models and analysis from time to time. The analytical capabilities of the organization have driven less manual intervention in decision making. In addition, analytics have driven standardization of processes leading to improved customer satisfaction.

26. ENTERPRISE RISK MANAGEMENT

The Company has structured approach towards Enterprise Risk Management (ERM) and has put a four themed approach to address the enterprise risk. They are:

- Financial risk
- Operational risk
- Strategic risk
- Hazard Risk

Over the years, the risks pertaining to financial and strategic risk to the Company have been managed in a systematic manner including a strong governance mechanism. The Company has strengthened the operational risk management by putting a formal Operational Risk Management (ORM) framework in place. Under this framework various operational risks are identified through a self-assessment process. The identified risks are then categorized in terms of criticality based on their impact and vulnerability. These risks are monitored on a periodic basis by adopting Key Risk Indicator (KRI) approach. The Company has deployed "Risk Monitor" ("Application"), an online platform to monitor and review the operational risks.

27. CORPORATE GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly strive to improve these practices by adopting the best practices.

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources and strengths, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to all Tata group companies.

As a part of the Tata Motors Group, the Company has a strong legacy of fair, transparent and ethical governance practices. In addition, the Company has adopted Governance Guidelines on Board Effectiveness, a Code of Conduct for Prevention of Insider Trading, a Vigil Mechanism, a Fair Practices Code, a Policy against Sexual Harassment in the

Workplace, a Code of Conduct for Non-Executive Directors, Internal Guidelines on Corporate Governance.

The Company has signed the Tata Brand Equity and Business Promotion (BEBP) Agreement with Tata Sons Private Limited for subscribing to the TATA BEBP Scheme. The Company abides by the Tata Code of Conduct and the norms for using the Tata Brand identity.

a. Board of Directors

The Board of Directors, along with its Committees, provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. The size of the Board is commensurate with the size and business of the Company.

- As on March 31, 2019, the Board comprised Eight (8) Directors viz. Mr. Nasser Munjee, Chairman, Ms. Vedika Bhandarkar, Mr. Hoshang Sinor, Mr. P. D. Karkaria, Mr. P.B. Balaji, Mr. Girish Wagh, Mr. Mayank Pareek and Mr. Shyam Mani.
- Ms. Vedika Bhandarkar, Mr. Hoshang Sinor and Mr. P. D. Karkaria are the Independent Directors of the Company and other Directors are Non-Executive Directors.
- During FY 2018-19, nine (9) Meetings of the Board of Directors were held on April 09, 2018, May 02, 2018, July 30, 2018, August 14, 2018, October 29, 2018, January 29, 2019, February 15, 2019, March 20, 2019 and March 29, 2019.

The details of attendance at Board Meetings and at the previous AGM of the Company are given below:

Name of Director	Category	Board Meetings		Whether present at previous AGM held on July 26, 2017
		Held	Attended	
Mr. Nasser Munjee	Non- Executive Non Independent Director	9	5	No
Ms. Vedika Bhandarkar	Independent Director	9	7	Yes

Mr. Hoshang Sinor	Independent Director	9	8	No
Mr. P.D. Karkaria	Independent Director	9	8	No
Mr. P.B. Balaji	Non- Executive Director	9	8	Yes
Mr. Shyam Mani	Non- Executive Director	9	9	Yes
Mr. Mayank Pareek	Non- Executive Director	9	5	No
Mr. Girish Wagh	Non- Executive Director	9	6	No

The Company has paid Sitting Fees and Commission to the Non-Executive Directors who are not in employment in Tata Companies and Independent Directors, for attending meetings of the Board and the Committees of the Board during FY 2018-19. Details of Sitting Fees and Commission are given below:

(Amount in Rs.)

Name of Director	Sitting Fees paid for attending Board and Committee Meetings during FY 2018-19	Commission paid during FY 2018-19
Mr. Nasser Munjee	3,70,000	20,00,000
Ms. Vedika Bhandarkar	11,90,000	20,00,000
Mr. Hoshang Sinor	12,80,000	20,00,000
Mr. P.D. Karkaria	11,60,000	20,00,000
Mr. Mayank Pareek	-	-
Mr. Shyam Mani	-	-
Mr. P.B. Balaji	-	-
Mr. Girish Wagh	-	-

- None of the Non-Executive Directors and Independent Directors had any pecuniary relationships or transactions with the Company during the year under review except the sitting fee and commission as mentioned above.

b. COMMITTEES OF THE BOARD

The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These include the Audit Committee, Nomination and Remuneration Committee, CSR Committee, Asset Liability Supervisory Committee, Risk Management Committee and Stakeholders Relationship Committee.

The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board / respective Committees at their next meetings. The Minutes of meetings of all Committees of the Board are circulated to the Board of Directors, for noting.

i) Audit Committee

The Audit Committee comprises three (3) Independent Directors viz. Ms. Vedika Bhandarkar (Chairperson), Mr. Hoshang Sinor, Mr. P.D. Karkaria and one Non-Executive Director, Mr. P.B. Balaji. The composition of the Audit Committee is in line with the provisions of Section 177 of the Act. All the Members have the ability to read and understand financial statements and have relevant finance and/or audit experience.

The Board has adopted an Audit Committee Charter which defines the composition of the Audit Committee, its authority, role, responsibilities and powers and reporting functions in accordance with the Act and Guidelines issued by RBI. The Charter is reviewed from time to time. Given below, *inter alia*, is a gist of the responsibilities of the Audit Committee.

- Recommend the appointment and removal of the Auditors and their remuneration, nature and scope of audit.
- Ensure adequacy of internal controls and compliances and recommend remedial measures
- Review adequacy of the Internal Audit function
- Review and monitor the auditors' independence and performance and effectiveness of the audit process
- Oversee financial reporting process and disclosure of financial information.
- Examine the financial statements and the auditors' report thereon
- Evaluate internal financial controls and the risk management systems
- Act as a link between the Statutory Auditors, the Internal Auditors and the Board of Directors

- Review accounting policies
- Monitor compliance with Tata Code Of Conduct
- Approve any transactions of the Company with related parties or any subsequent modifications thereof
- Scrutinize inter-corporate loans and investments
- Evaluate the valuation of undertakings or assets of the Company, if necessary
- Monitor the end use of funds raised through public offers and related matters
- Review findings of internal investigations / frauds / irregularities, etc.
- Carry out additional functions as per the regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee
- Carry out the responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

During the year under review, twelve (12) meetings were held on May 02, 2018, June 01, 2018, July 30, 2018, August 14, 2018, October 15, 2018, October 29, 2018, December 10, 2018, December 14, 2018, December 21, 2018, January 29, 2019, March 13, 2019 and March 20, 2019. The composition of the Audit committee and the attendance of its Members at its meetings held during FY 2018-19 is given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Ms. Vedika Bhandarkar, Chairperson	Independent Director	12	12
Mr. Hoshang Sinor	Independent Director	12	11
Mr. P.D. Karkaria	Independent Director	12	11
Mr. P.B. Balaji	Additional Non-Executive Director	12	11

The Board has accepted all the recommendations made by the Audit Committee during the year. The invitees for Audit Committee meetings are Chief Executive Officer, Statutory Auditors, Chief Internal Auditor of the Company, Chief Financial Officer and Company Secretary. The minutes of the Audit Committee meetings form part of the Board papers circulated for Board Meetings. The Chairman of the Audit Committee briefs the Board members about significant discussions at Audit Committee meetings. The Internal Audit function is headed by the Chief Internal Auditor of the Company who reports to the Chairman of the Audit Committee to ensure independence of internal audit.

ii) **Nomination and Remuneration Committee (NRC)**

The 'Nomination and Remuneration Committee' of Directors had been constituted to ensure appointment of directors with 'fit and proper' credentials and to review the performance of the Managing/Whole-time Directors/Key Managerial Personnel, to review and recommend remuneration/compensation packages for the Executive Directors, to decide commission payable to the directors, to formulate and administer ESOPs, if any and to review employee compensation vis-à-vis industry practices and trends. A copy of the policy is placed on the website of the company i.e. www.tmf.co.in.

The Nomination and Remuneration Committee comprises of one Independent Director viz. Mr. Hoshang Sinor, Chairman and two Non-Executive Directors i.e. Mr. Nasser Munjee and Mr. P.B. Balaji. The composition of the Nomination and Remuneration Committee is in line with the provisions of Section 178(1) of the Act.

During FY 2018-19, Four (4) meetings of the NRC were held on April 10, 2018, May 2, 2018, March 5, 2019 and March 20, 2019. The composition of the NRC and the attendance of its Members at its Meetings held during FY 2017-18 are given below:

Name of the member	Category	No. of meetings	
		Held	Attended
Mr. Hoshang Sinor, Chairman	Independent Director	4	4
Mr. Nasser Munjee	Non-Independent Director	4	4
Mr. P.B. Balaji	Non-Executive Director	4	4

iii) **Risk Management Committee (RMC)**

The "Risk Management Committee" of Directors manages the integrated risks of the Company. This committee comprises of Five (5) Directors namely Mr. Hoshang Sinor (Chairman), Ms. Vedika Bhandarkar, Mr. P.B. Balaji, and Mr. P.D. Karkaria, Mr. Shyam Mani.

During, FY 2018-19, three (3) meetings of the RMC were held on June 01, 2018, September 21, 2018 and March 18, 2019. The composition of the RMC and the attendance of its Members at its Meetings held during FY 2018-19 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Hoshang Sinor, Chairman	Independent Director	3	3
Ms. Vedika Bhandarkar	Independent Director	3	3
Mr. P.D. Karkaria	Independent Director	3	2
Mr. P.B. Balaji	Non-Executive Director	3	3
Mr. Shyam Mani	Non-Executive Director	3	3

iv) **Asset Liability Supervisory Committee (ALCO)**

The 'Asset Liability Supervisory Committee' of Directors oversees the implementation of the Asset Liability Management system and will periodically review its functioning. The 'Asset Liability Committee' comprising of senior executives constituted to carry out the necessary spade work for formalizing the ALM system in the Company reports to the 'Asset Liability Supervisory Committee' of Directors. This committee comprises of Four (4) Directors namely Mr. Hoshang Sinor, Chairman, Mr. P.B. Balaji, Mr. P.D. Karkaria and Mr. Shyam Mani.

During FY 2018-19, three Meetings of the ALCO were held on June 01, 2018, September 21, 2018 and March 18, 2019. The composition of the ALCO and the attendance of its Members at its Meetings held during FY 2018-19 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Hoshang Sinor, Chairman	Independent Director	3	3
Mr. P.D. Karkaria	Independent Director	3	2
Mr. Shyam Mani	Non- Executive Director	3	3
Mr. P.B. Balaji	Non- Executive Director	3	3

v) **Corporate Social Responsibility (CSR) Committee**

The Tata Group's ethos is deeply ingrained in the philosophy of societal development and is especially focused upon the engagement and upliftment of the disadvantaged sections of the society. The Company is committed to a policy of inclusive and sustainable growth for the marginalized communities. The Company shares the Group's belief that our society can only truly progress, if every individual can be included and empowered. To guide us in this

journey, the Company has a well-defined Corporate Social Responsibility (“CSR”) policy. The Company constituted the ‘Corporate Social Responsibility’ (CSR) Committee to formulate and recommend to the Board, a CSR policy, recommend the amount of expenditure to be incurred on the activities and monitor CSR activities of the Company. The Corporate Social Responsibility (CSR) Committee of the Board consist of three (3) Directors namely Ms. Vedika Bhandarkar, Mr. Girish Wagh and Mr. Shyam Mani.

During FY 2018-19, two (2) meeting of the CSR Committee was held on July 30, 2018 and March 20, 2019. The composition of the CSR Committee and the attendance of its Members at its Meeting held during FY 2018-19 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Ms. Vedika Bhandarkar, Chairperson	Independent Director	2	2
Mr. Girish Wagh	Non- Executive Director	2	2
Mr. Shyam Mani	Non- Executive Director	2	2

vi) **Stakeholders Relationship Committee (SRC)**

The Company constituted Stakeholders’ relationship Committee to consider and resolve the grievances of security holders of the Company. The Stakeholders Relationship Committee (SRC) Committee of the Board consist of 2 Directors namely Ms. Vedika Bhandarkar and Mr. P. D. Karkaria.

During FY 2018-19, one (1) meeting of the SRC was held on October 29, 2018. The composition of the SRC and the attendance of its members at its Meeting held during FY 2018-19 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Ms. Vedika Bhandarkar, Chairperson	Independent Director	2	2
Mr. P.D. Karkaria	Independent Director	2	2

c. Other information

- The half-yearly Financial Results of the Company are submitted to the Stock Exchange (NSE) in accordance with the SEBI LODR Regulations and are published in a leading English daily newspaper and also communicated to the Debenture holders every six months through a half-yearly communiqué.
- Official news releases, including the half-yearly results, are also posted on the Company's website i.e., www.tmf.co.in. The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, etc.
- The Debentures issued on a private placement basis are listed on the Wholesale Debt Market segment of the NSE.
- The Company has appointed TSR Darashaw Limited ("TSR") as the Registrar and Transfer Agents ("RTA") for the privately placed debentures issued by the Company.

28. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

As required under Section 177 of the Companies Act, 2013, the Board adopted the Whistle-Blower Policy which provides a formal mechanism for all employees of the Company to approach the Management/ Audit Committee and make protective disclosures to the Management about unethical behaviour, Insider Trading, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. No employee of the Company has been denied access to the Audit Committee.

29. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (POSH)

The Company has zero tolerance for sexual harassment at workplace and has a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at workplace. The Company received NIL complaints on sexual harassment during the year. As a proactive measure, to sensitize and build skill of Internal Complaints Committee (ICC) members on POSH guidelines, all ICC members went through a training program facilitated by an external faculty.

30. AUDITORS

The shareholders at the Annual General Meeting of the Company held on July 26, 2017 had appointed Messrs. BSR & Co, Chartered Accountants as Statutory Auditors of the Company from Q2 FY 2017- 18 onwards till the conclusion of AGM for FY 2021-22 subject to ratification at each Annual general meeting.

However, the requirement for ratification of auditor's appointment at every Annual General Meeting (AGM) have been omitted by the Companies (Amendment) Act, 2017, therefore, M/s BSR & Co, Chartered Accountants will continue to be the Statutory Auditors of the Company till the conclusion of AGM for FY 2021-22.

31. EXPLANATION ON STATUTORY AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their Reports on the Financial Statements of the Company for FY 2018-19.

32. SECRETARIAL AUDITORS

The Board of Directors at their meeting held on May 02, 2018 approved the appointment of M/s. V N Deodhar & Associates, Practicing Company Secretary as Secretarial Auditor of the Company in terms of the provisions of section 204 of the Companies Act, 2013 for conducting the secretarial audit of the Company. Secretarial Audit report issued by M/s. V N Deodhar & Associates, Practicing Company Secretary, forming part of the Directors' Report for the year ended March 31, 2019 is enclosed as an Annexure "1" to this Report.

The Board of Directors have appointed M/s V. N. Deodhar & Associates, Practicing Company Secretary as Secretarial Auditor for FY 2019-20 at its meeting held on May 06, 2019.

33. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2019 and May 6, 2019, being the date of this Report.

34. RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website.

35. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board, a CSR policy, recommend the amount of expenditure to be incurred on the activities and monitor CSR activities of the Company. The annual report on CSR activities as required under Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, as amended, forming part of the Directors' Report for the year ended March 31, 2019 is enclosed as an Annexure "2" to this Report.

36. PARTICULARS OF EMPLOYEES

In accordance with Section 134 (2) read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the Company had 13 employees who were in receipts of remuneration of not less than Rs. 102 Lakh during the year ended March 31, 2019 or not less than Rs. 8.5 Lakh per month during any part of the said year.

Pursuant to this section and rule, report is being sent to all the Shareholders of the Company excluding the aforesaid information and the said particulars are made available at the Registered Office of the Company. The members interested in obtaining information under section 134 (2) may write to the Company Secretary at the Registered Office of the Company.

37. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory auditors and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

38. JOURNEY TOWARDS BUSINESS EXCELLENCE

TMF accelerated the implementation of its Business Excellence Program - TBEP Program which had been put in place last year. The deployment of the processes and practices was focussed upon with lot of rigor which led to systematic business operational model being put in place across branches and dealerships. There were multiple initiatives undertaken by TMF which helped in its transformation into Process Centric Stakeholders' Focussed, Continuously Improving Aligned organization. These initiatives included putting in place

Enterprise Business Process Manual which is process repository of all its processes, had multiple surveys initiated to obtain the internal / external stakeholder feedback and acted upon the key findings to improve products & services, initiated practice of inter departmental SLAs and continued practice of having regular process reviews and functional reviews to identify continuous improvement opportunities among many other initiatives. TMF was thus able to blend process excellence with organizational performance. The Business Transformation Plan 2019 which was formalized last year is now fully implemented across TMF. Each department now has its own detailed Functional Score Cards which reflects their monthly BE Score and ensures that each function operates at significantly higher levels of process maturity levels. TMF has developed appropriate business strategy map and has cascaded it through Balance Score card across the organization. There is also very insightful business performance review method formalized last year in place now.

TMF participated last year in TBEM Assessment program after gap of six years. This was coordinated by Tata Business Excellence Group. A Team of ten senior TBEM assessors from other Tata Companies, were on site at TMF in Oct 19 and visited multiple branches across the country and met all functional heads and their teams at Head Office. They analysed company's processes & associated results and studied multiple stakeholder survey reports as obtained by TMF post surveys commissioned by them. The Assessor team post analysis of the TMF and its processes and evaluating the same as per TBEM Criteria Framework awarded the TBEM score of 511 to TMF. Overall the Assessment team felt that the people both at the Head office and Locations demonstrated high degree of commitment as well as compliance to process centric approach and the Wolfpack culture which has been part of the change management program is seeing good results.

This 511 score achieved by TMF has created benchmark of sorts within the group as it is for the first time that company in its first TBEM assessment undertaken after gap of six years has crossed TBEM score of 500. The score of 500+ had TMF bestowed with **TBEM Business Excellence Award** for this outstanding achievement. This award was presented by Group Chairman Mr N Chandra to our MD Mr Shyam Mani and CEO Mr Samrat Gupta at BE Convention held at Delhi in Nov 18, in presence of senior leaders including CEOs of Tata Group companies .

TMF in order to accelerate its journey towards business excellence has conceptualized three year formal program **PINNACLE 21** which would be pursued and implemented diligently to ensure TMF builds on its strong foundation laid in 2018 and further improves its

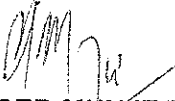
processes and results by 2021 to a level that it when assessed is awarded most prestigious of business excellence awards – JRD QV which is presented to companies crossing 650 TBEM score.


39. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for support received from the Reserve Bank of India and other Government and regulatory agencies and to convey their appreciation to Tata Motors Limited, TMF Holdings Limited, bankers, lenders, and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation of all employees of its holding Company who had extended their services to the Company for their commendable efforts, team work and professionalism.

On behalf of the Board of Directors of

TATA MOTORS FINANCE LIMITED
(Formerly known as Sheba Properties Limited)


NASSER MUNJEE
Chairman
(DIN: 00010180)


May 06, 2019 at Mumbai.



Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: U45200MH1989PLC050444
- ii) Registration Date: 24/01/1989
- iii) Name of the Company: **TATA MOTORS FINANCE LIMITED** (Formerly known as Sheba Properties Limited)
- iv) Category / Sub-Category of the Company: LIMITED COMPANY (NBFC)
- v) Address of the Registered office and contact details: 10th Floor, 106 A & B, Maker Chambers III, Nariman Point, Mumbai 400 021
- vi) Whether listed company Yes / No: Yes, the Company is Debt Listed on National Stock Exchange of India Ltd.
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: TSR Darashaw Limited.
6-10 Haji Moosa Patrawala Industrial Estate,
Near Famous Studio,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011.022-66568484

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

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


Company Secretary

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	NBFC- Asset Finance Company	64990	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)	U65923MH2006PLC162503	HOLDING	96.88	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies - TMFL &	5,38,73,415	-	5,38,73,415	100	5,83,84,693	-	5,83,84,693	100	8.37
TMFSL	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)	-	-	-	-	-	-	-	-	-
(1):-	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs	-	-	-	-	-	-	-	-	-

Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
b) Other Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
e) Any Other....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-total (A)	5,38,73,415	-	-	-	-	-	5,38,73,415	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.37	
(2):-																									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)							5,38,73,415																		100
5,83,84,693																									100
5,83,84,693																									
B. Public Shareholding																									
1. Institutions																									
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g) FII/s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Non-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	
a) Bodies Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	
i) Indian	-	-	-	-	-	-	-	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	
b) Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-	-	-	-	-	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-	-	-	-	-	
c) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	-	-	-	-	-	-	-	-	-	-	-	5,83,84,693	100	8.37

ii) *Shareholding of Promoters*

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	TMF Holdings Limited	5,20,51,392	96.62	NIL	5,65,62,670	96.88	NIL	9.98
2	TMF Holdings Limited jointly with Shyam Mani	1	--	NIL	1	--	NIL	NIL
3	TMF Holdings Limited jointly with Adarsh Kumar	1	--	NIL	1	--	NIL	NIL
4	TMF Holdings Limited jointly with Vinay Lavannis	1	--	NIL	1	--	NIL	NIL
5	TMF Holdings Limited jointly with Anand Bang	1	--	NIL	1	--	NIL	NIL
6	TMF Holdings Limited jointly with Samrat Gupta	1	--	NIL	1	--	NIL	NIL
7	TMF Holdings Limited jointly with P.B. Balaji	1	--	NIL	1	--	NIL	NIL
8	TMF Holdings	1	--	NIL	1	--	NIL	NIL

	Limited jointly with Alok Chadha								
9	Tata Motors Finance Solutions Limited	18,22,016	3.38	NIL	18,22,016	3.12	NIL		NIL

iii) **Change in Promoters' Shareholding (TMFHL AND TMFSL)**

Sl. No.	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5,38,73,415	100%	5,38,73,415	100
	Date wise Increase / Decrease in Promoters Share Holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Feb 28, 2019 – Allotment of 22,55,639 Equity shares to TMF Holdings Limited	4.19	5,61,29,054	100
		March 18, 2019 – Allotment of 22,55,639 Equity shares to TMF Holdings Limited	4.01	5,83,84,693	100
	At the End of the year			5,83,84,693	100%

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

Note:

Mr. Shyam Mani and Mr. P. B. Balaji- Non Executive Directors, Mr. Samrat Gupta, Chief Executive Officer (CEO), Mr. Anand Bang, Chief Financial Officer (CFO) and Mr. Vinay Lavannis, Company Secretary holding 1(one) Equity Share each jointly with TMF Holdings Limited as nominee of TMF Holdings Limited.

V. INDEBTEDNESS

Indebtedness of the Company	SECURED LOANS EXCL DEPOSITS		UNSECURED LOANS	OTHERS	Amount in Rupees
	TOTAL	INDEBTEDNESS			
Indebtedness at the beginning of the financial year					
i) Principal Amount	98,316,999,023	89,705,462,854	14,775,817,267		202,798,279,144
ii) Interest due but not paid	0	0	0		0
iii) Interest accrued but not due	680,170,534	858,771,617	0		1,538,942,151
Total (+ii+iii)	98,997,169,557	90,564,234,471	14,775,817,267		204,337,221,295
Change in Indebtedness during the year					
Additions	508,618,827,126	317,577,285,605	31,333,929,849		857,530,042,581
Reductions	-	-	-		-
	435,844,798,689	318,378,855,654	13,369,108,778		767,592,763,121
Net Change	72,774,028,438	-801,570,048	17,964,821,070		89,937,279,460
Indebtedness at the end of the financial year					
i) Principal Amount	171,066,526,783	88,840,734,610	32,740,638,337		292,647,899,731
ii) Interest due but not paid	0	0	0		0
iii) Interest accrued but not due	704,671,211	921,929,812	0		1,626,601,023
Total (+ii+iii)	171,771,197,994	89,762,664,422	32,740,638,337		294,274,500,754

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Managing Director, Whole-time Directors and/or Manager	Managing Director, Whole-time Directors and/or Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA Nil Nil	NA Nil Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil
	Ceiling as per the Act	Nil	Nil	Nil

B. Remuneration to other directors: The Company paid only sitting fees to the Chairman and all independent directors for attending Board and Committee meetings during the year, Details are as under:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Nasser Munjee	Vedika Bhandarkar	Hoshang Sinor	P D Karkaria	
	1. Independent Directors					
	➤ Fee for attending board / committee meetings	-	11,90,000	12,80,000	11,60,000	36,30,000
	➤ Commission	-	20,00,000	20,00,000	20,00,000	60,00,000
	➤ Others, please specify	-	-	-	-	-
	Total (1)	-	31,90,000	32,80,000	31,60,000	96,30,000
	2. Other Non-Executive Directors					
	➤ Fee for attending board / committee meetings	3,70,000	-	-	-	3,70,000
	➤ Commission	20,00,000	-	-	-	20,00,000
	➤ Others, please specify	-	-	-	-	-
	Total (2)	23,70,000	-	-	-	23,70,000
	Total (B)=(1+2)	23,70,000	31,90,000	32,80,000	31,60,000	1,20,00,000
	Total Managerial Remuneration	23,70,000	31,90,000	32,80,000	31,60,000	1,20,00,000

Overall Ceiling as per the Act	-	-	-	-	-	Rs. 100000 per meeting
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C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Rupees in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO Samrat Gupta	CFO Anand Bang	Company Secretary- Vinay Lavannis		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section. 17(3) Income-tax Act, 1961	2,52,23,918	85,34,013	65,44,076		4,03,02,007
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit	-	-	-	-	-
						9,10,650

The above gross salary includes Performance pay for the previous year, Quarterly Incentive for the current year, Housing Interest subsidy amount, Leave encashment etc. for the respective KMP

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

A brief outline on the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs.

At Tata Motor Finance, our 'Community Impact' and 'Sustainability' initiatives are built around being a good corporate citizen. The Company has a stated sustainability objective of being a socially responsible corporate aiming to improve the quality of life in the communities we serve. Our CSR strategy has focused initiatives under three broad brands i.e., Initiatives which involve reaching out to the society and community at large are under "I-Care": Environmental impact initiatives are grouped under "Think Green". Employee volunteering is an integral part of our CSR philosophy and the Company encourage its employees to actively participate in the community and environmental impact projects. To instil volunteering culture at TMF, IMPACT was launched in June'17. IMPACT – which stands for it is important to act. In order to build a sustainable society, the Company believes in engaging our key stakeholder -Community, Business and Employees through volunteering.

Our flagship community impact project 'Uddan' with our NGO partner Magic Bus is actively running at two locations – Bhandara & Joynagar. We recently launched the third project in South in Kurnool. These projects focus on bringing in sustainable change in the stakeholder and the society. In our endeavour, as a part of the structured program, we give educational support, scholarships and facilitate livelihood opportunities. Bhandara project is now in the third year and has shown positive developments in the midline project assessment. At Bhandara, the key indicators of the project are: (i) Regular Attendance at School (ii) More girls completing their graduation (iii) Delayed Early Marriages (iv) Employment post livelihood program. During FY 18-19, approximately 6000 girls were active in Project Uddan in Bhandara & Joynagar. We are creating impact in both these locations with more girls regularly attending school in Bhandara w.r.t the baseline data. The girls who received scholarships are faring well in academia. In partnership with IHCL we are conducting a 45 Day Discovery Module w.r.t service industry in our livelihood centre in Bhandara. The curriculum for the same is co-created by Indian Hotels and their training partner. This program will give them exposure to service industry in large and the opportunities in these fields. The idea is to make them ready for such opportunities from behavioral aspects.

Joynagar project has also started to make meaningful impact in the society, which is a very different terrain from Bhandara with its own socio-economic challenges. "Shakti Vahini" is

an adolescent girls group in our Joynagar program, which is very well connected to the community we work in. This group was started in 2018 to strengthen our connect with the community. It has now become a powerful group which is well networked with the community stakeholders. So far we could stop 39 child marriages and we could re-enrol 22 of them back into the program.

With our new project in Kurnool we plan to create similar impact in the long run. 2500 adolescent girls will be covered in this project and the main components of the program include – Life Skills, Academic Learning Centres, Youth Skilling and Scholarship Program.

'Jeevan Doot' is our first respondent program meant to facilitate basic and preliminary emergency care to the victims of road crash. This program aims to improve the state of emergency response care to the victims of road crashes in Mumbai by training the community volunteers as first responders at select blackspots on Mumbai roads in partnership with United Way of Mumbai in collaboration with the Mumbai Traffic Police, Motor Vehicle Department, 108 Ambulance Service and the disaster management unit of Municipal Corporation of Greater Mumbai. We trained 88 community volunteers and 36 employees under this program. 81% successfully completed the training.

IMPACT, our employee volunteering program was launched in June '17. We launched a 2 mandays volunteering policy as well to encourage employees to volunteer. 80 runners supported the cause of volunteering in Tata Mumbai Marathon 2019 and created awareness of #ItisIMPortanttoACT. We actively participated in Tata Volunteering Week during FY 18-19. We clocked 12000 plus volunteering hours during FY 18-19 which is 114% higher than what we clocked in FY 17-18. During festivals, our special occasions – like Women's Day, we stepped out to make an impact in the society by volunteering for social and environmental causes. When the floods in Kerala paralyzed normal life of people in Kerala, TMF Wolfpack across locations came forward and supported Project - Lets help Kerala bounce back. Since the most difficult phase is rebuilding life and bringing it back to normalcy, the amount collected by the employees across the country was used to help our affected employees in this phase. 25 of our wolfpack members were adversely affected by the floods. There was a special function conducted in our Cochin office with a special letter to all the affected employees from the CHRO. RBH addressed the Kerala Team and showed solidarity on behalf of whole Wolfpack. During hours of adversity we truly believed in coming together and helping fellow employees.

1. **The composition of the CSR Committee**

As on March 31, 2019, the members of CSR Committee were Ms. Vedika Bhandarkar, Chairperson & Independent Director, Mr. Girish Wagh, Non-Executive Director and Mr. Shyam Mani, Non-Executive Director.

2. **Average net profit of the company for last three financial years:**

Average Profits for 3 Years: Rs. 2,804 Lakhs

3. **Prescribed CSR Expenditure (two percent of the amount as mentioned above)**

The prescribed CSR Expenditure is Rs.56.07 Lakh

4. **Details of CSR spent during the financial year**

(a) Total amount to be spend for the financial year FY 18-19: 56.07 Lakh

CSR Budget approved by Board for FY18-19 is Rs. 375 Lakh.*

(b) Amount unspent, if any: Not applicable as amount spent is exceeding the prescribed CSR expenditure for the Company during the F.Y. 2018-19.

Out of the budget approved by the board, Rs.189.7 lakh was spent in FY 18-19

(b) Manner in which the amount spent voluntarily during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sl. No	CSR Project or activity identified (voluntarily)	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise*(voluntarily)	Amount spent on the projects or programs Sub heads: Direct expenditure on project or programs Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency(voluntarily)
1	Project Uddan	Girl Child	* Bhandara	Rs.116 Lacs	Rs.114 Lacs	Rs.114 Lacs	Rs.114 Lacs
			* Joynagar	Rs.99.9 Lacs	Rs.98.8 Lacs	Rs.98.8 Lacs	Rs.98.8 Lacs
			* Kurmool	Rs. 99 Lacs	Rs. 24 Lacs (Only Q1 Grant was released in Fy 2018-19)	Rs.24 Lacs	Rs.24 Lacs
	Total			Rs.314.9 Lacs	*Rs.236.8 Lacs	*Rs.236.8 Lacs	*Rs.236.8 Lacs

*Out of the above mentioned amount, Rs.172 Lacs was spent from the budget for FY 18-19, remaining amount was adjusted from underspent of FY 17-18 from Project Uddan Budget.

In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in the Board report.

Not applicable.

5. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR committee is responsible and fully committed for the monitoring the CSR programmes and compliance under the Companies Act, 2013.

For and on behalf of the Board of Directors
TATA MOTORS FINANCE LIMITED



NASSER MUNJEE
Chairman

(DIN: 00010180)

Date: May 06, 2019

Place: Mumbai



V. N. DEODHAR & CO.

Company Secretaries

V. N. DEODHAR

B.Com (Hons), B.A.LL.B. (Gen.) F.C.S.

4/3, 'Radha', 1st Floor,
Shastri Hall, Grant Road (W),
Mumbai - 400 007.
Tel. : 2385 0364
Fax : 2386 1708
Email : vndeodhar@gmail.com

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
TATA MOTORS FINANCE LIMITED
(Formerly known as Sheba Properties Limited),
10th F, 106 A & B, Maker Chambers III,
Nariman Point,
Mumbai-400 021.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Motors Finance Limited (Formerly known as Sheba Properties Limited)**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

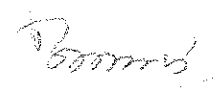
Based on our verification of the Tata Motors Finance Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Tata Motors Finance Limited ("the Company") for the financial year ended on March 31, 2019 according to the provisions of:

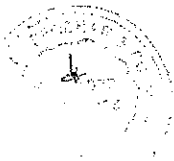
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



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


Company Secretary

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period),
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the Audit Period),
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (Not applicable to the Company during the Audit Period),
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)
- (vi) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company.
- (a) The Reserve Bank of India Act, 1934, and
 - (b) RBI's NBFC Directions and Guidelines, Circular etc. issued by RBI from time to time, applicable on NBFCs,



Additionally, a declaration on compliance of various statutes duly signed by the Chief Executive officer and Chief Financial Officer is submitted to the Board on quarterly basis.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, and
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board as case may be.

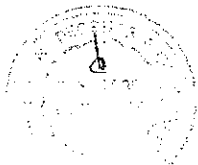
We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period following events has occurred in the company:

- i. The Company has allotted 1,63,00,000 Cumulative, Non-Participating Compulsorily Convertible Preference Shares of Rs.100/- each at a premium of Rs.100/- aggregating to an amount of Rs.326,00,00,000/- (Rupees Three Hundred & Twenty Six Crore Only) on June 12, 2018.
- ii. The Company has allotted 700 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.70,00,00,000/- (Rupees Seventy Crores Only) on June 22, 2018.
- iii. The Company has allotted 700 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.70,00,00,000/- (Rupees Seventy Crores Only) on July 24, 2018.
- iv. The Company has allotted 6,150 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.615,00,00,000/- (Rupees Six Hundred & Fifteen Crores Only) on August 9, 2018.



- v. The Company has allotted 1000 Unsecured Redeemable Unlisted Sub-ordinated Non-Cumulative Debentures of face value of Rs.10,00,000/- each aggregating to an amount of Rs.100,00,00,000/- (Rupees Hundred Crores Only) on August 31,2018.
- vi. The Company has allotted 250 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.25,00,00,000/- (Rupees Twenty Five Crores Only) on September 11, 2018.
- vii. The Company has allotted 185,00,000 Non-Cumulative Non-Participating Compulsorily Convertible Preference Shares of Rs.100/- each at a premium of Rs.100/- each aggregating to an amount of Rs.370,00,00,000/- (Rupees Three Hundred & Seventy Crores Only) on September 18,2018.
- viii. The Company has allotted 1000 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.100,00,00,000/- (Rupees Hundred Crores Only) on September 26, 2018.
- ix. The Company has allotted 350 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.35,00,00,000/- (Rupees Thirty Five Crores Only) on November 06, 2018.
- x. The Company has allotted 1500 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.150,00,00,000/- (Rupees One Hundred & Fifty Crores Only) on November 16, 2018.
- xi. The Company has allotted 750 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.75,00,00,000/- (Rupees Seventy Five Crores Only) and 4500 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.450,00,00,000/- (Rupees Four Hundred & Fifty Crores Only) on December 04, 2018.
- xii. The Company has allotted 1000 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.100,00,00,000/- (Rupees One Hundred Crores Only) on December 11, 2018.
- xiii. The Company has allotted 260 Privately placed Secured, Redeemable Listed Non-Convertible Debentures of Rs.10,00,000/- each aggregating to an amount of Rs.26,00,00,000/- (Rupees Twenty Six Crores Only) on December 28, 2018.



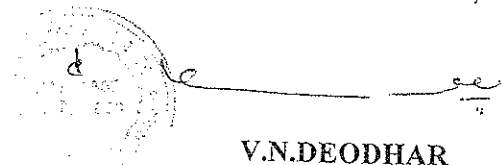
Annexure A

To,
The members,
Tata Motors Finance Limited,

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of Laws, Rules & Regulations and happening of events, etc.
5. The Compliance of provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V.N.DEODHAR & CO.,



V.N.DEODHAR
PROP.
FCS NO.1880
C.P. No. 898

Place: Mumbai
Date: April 30, 2019

- xiv. The Company has allotted 22,55,639 Equity Shares of face value of Rs.100/- each at a premium of Rs.565/- per share aggregating to an amount of Rs.149,99,99,935/- (Rupees One Hundred Forty Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred & Thirty Five Only) on February 28, 2019.

For V.N.DEODHAR & CO.,



V.N.DEODHAR
PROP.
FCS NO.1880
C.P. No. 898

Place: Mumbai

Date: April 30, 2019

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this Report.