Nation-building through Moneylending.

Annual Report 2020-2021

TATA Motorsfinance

driven by trust

INDEX

BOARD OF DIRECTORS

Mr. Nasser Munjee,
Independent Director & Chairman

Mrs. Vedika Bhandarkar,
Independent Director

Mr. P. S. Jayakumar,
Independent Director
(Appointed w.e.f. July 10, 2020)

Ms. Varsha Purandare,
Independent Additional Director
(Appointed w.e.f. June 16, 2021)

Mr P.B. Balaji
Non-Executive Director

Mr. Shyam Mani,
Non-Executive Director

Mr. Girish Wagh,
Non-Executive Director
(Ceased w.e.f. June 23, 2020)

Mr. Mayank Pareek,
Non-Executive Director
(Ceased w.e.f. June 25, 2020)

Mr. Samrat Gupta,
Managing Director & CEO
(Appointed w.e.f. June 17, 2020)

CHIEF FINANCIAL OFFICER

Mr. Anand Bang
(Ceased w.e.f
August 01, 2020)

Ms. Ridhi Gangar
(Appointed w.e.f
August 01, 2020)

COMPANY SECERETARY

Mr. Vinay Lavannis

STATUTORY AUDITORS

M/s. B S R & Co. LLP

CORPORATE INDENTIFICATION NUMBER (CIN)

U45200MH1989PLC050444

REGISTERED OFFICE

14, 4th Floor, Sir H.C. Dinshaw Building 16,
Horniman Circle, Fort, Mumbai-400001
Tel: +91 22 6172 9600 | www.tmf.co.in

CORPORATE OFFICE

Tata Motors Finance Limited, 2nd Floor,
Tower A, I-Think Lodha Techno Campus,
Off Pokharan Road No. 2, Thane (West)- 400 601
Tel: +91 22 6181 5400 | Fax: +91 22 6181 5700

REGISTRAR AND SHARE TRANSFER AGENT

TSR Darashaw Consultants Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083
Website: www.tcplindia.co.in, Tel: +91 22 6656 8484, Fax: +91 22 6656 8494.
e-mail: : PSampat@tsrdarashaw.com

BANKERS

Jammu & Kashmir Bank Ltd
Karnataka Bank
Korean Development Bank (KDB)
MUDRA
Punjab National Bank (e-OBC)
Punjab National Bank
RBL Bank
SIDBI
South Indian Bank
Standard Chartered Bank
State Bank of India
Canara Bank (e-Syndicate Bank)
Federal Bank
UCO Bank
Union Bank of India
Ujjian Small Finance Bank Ltd
Vijaya Bank (now BOB)

DEBENTURE TRUSTEES

Vistra ITCL (India) Limited

The IL&FS Financial Centre,
Plot C- 22, G Block, BKC Road,
Bandra Kurla Complex, Bandra East,
Mumbai, Maharashtra 400051
Tel: +91 22 2659 3535;
Fax: +91 2226533297
www.vistraitcl.com

IDBI Trusteeship Services Limited

Ground Floor, Asian Building,
17, R Kamani Road, Ballard Estate,
Fort, Mumbai, Maharashtra 400001
Tel: +91 22 022 4080 7000;
Fax: +91 2266311776
itsl@idbitrustee.com

DEPOSITORIES

Central Depository Services (India) Limited
National Securities Depository Limited

LISTED AT (Debt Securities)

National Stock Exchange of India Limited
BSE Limited

Based on addressing customer lifecycle needs and TML's vision of connecting aspirations, the new statement of purpose for TMF is....

"Lifecycle Financing for Embracing Tata Mobility Products and solutions."

Our Mission statement drives our company

"To provide relevant customer centric financial products and solutions that support sustainable growth of the Tata Ecosystem"

Our Vision statement is about what we want to achieve

"Enabling Economic Success, Fulfilling Aspirations."

TMF Goals

As a High Performing Wolfpack, by 2020

1 We are a 50,000 Crore asset under management group

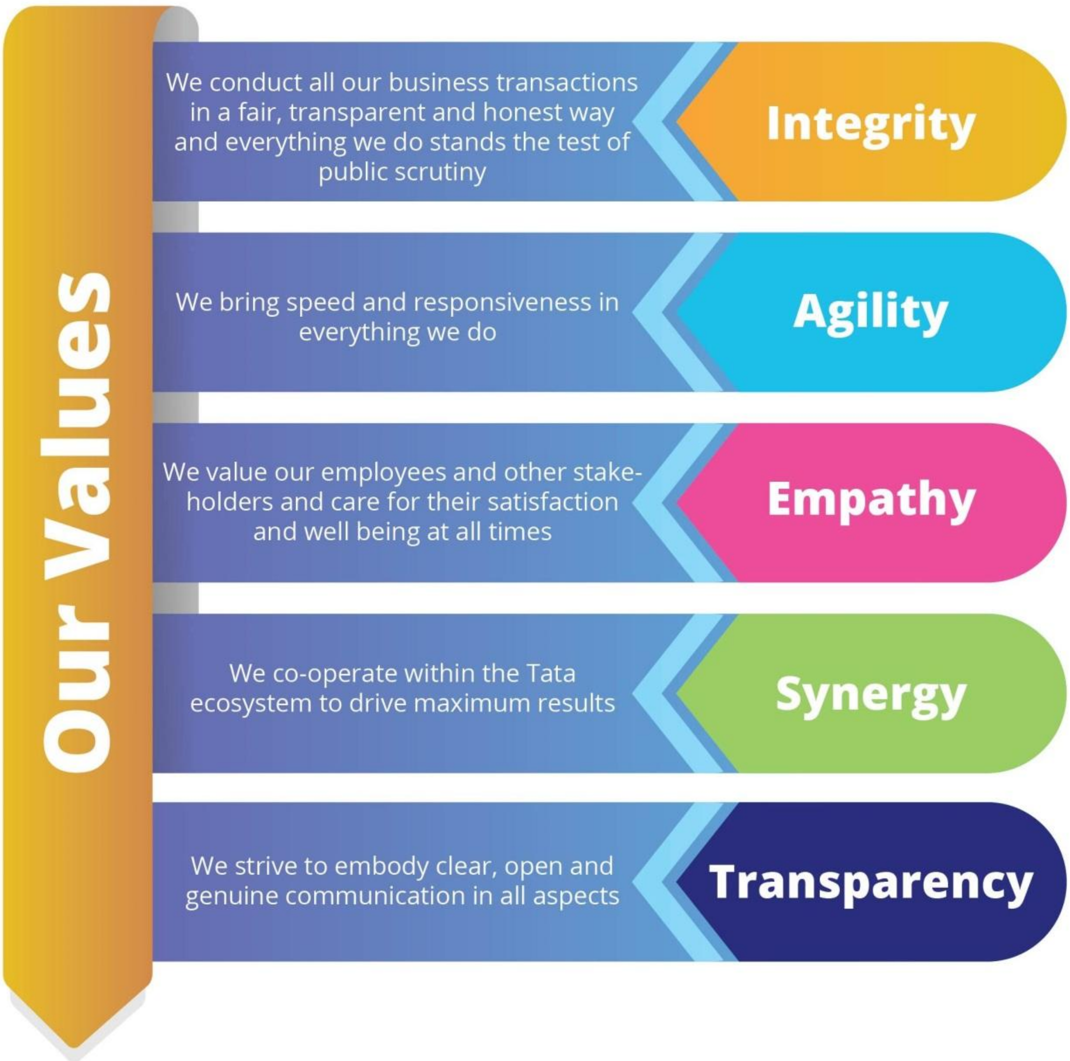
2 Maintain top notch portfolio quality

3 Expand reach to every demand pocket

4 Transform to tech savvy organization

5 Attain 20% sustainable ROE

Our Values


Our Values
We conduct all our business transactions in a fair, transparent and honest way and everything we do stands the test of public scrutiny
Integrity
We bring speed and responsiveness in everything we do
Agility
We value our employees and other stake-holders and care for their satisfaction and well being at all times
Empathy
We co-operate within the Tata ecosystem to drive maximum results
Synergy
We strive to embody clear, open and genuine communication in all aspects
Transparency

BOARD OF DIRECTORS

1. MR. NASSER MUNJEE, INDEPENDENT DIRECTOR AND CHAIRMAN OF THE BOARD

Mr. Munjee holds Master's degree from the London School of Economics, UK. Mr. Munjee is eminent industry expert, Chairman of Development Credit Bank (DCB) and also on the Board of various Multinational Companies. Mr. Munjee served with HDFC for over 20 years at various positions including as its Executive Director. He was the Managing Director of Infrastructure Development Finance Co. Ltd. (IDFC) up to March 2004. Presently he is the Chairman of Development Credit Bank (DCB) since June 2005 and is also on the Board of various Multinational Companies and Trusts.

Mr. Munjee was a Technical Advisor on the World Bank-Public Private Partnership Infrastructure and Advisory Fund.

2. MRS. VEDIKA BHANDARKAR, INDEPENDENT DIRECTOR

Mrs. Vedika Bhandarkar is MBA from the Indian Institute of Management, Ahmedabad and B.Sc from the MS University, Udaipur. Mrs. Vedika Bhandarkar serves as Water.org's senior leader in India, overseeing the organization's strategy, growth and water and sanitation program expansion in the country. Water.org is a not-for-profit organization that pioneers innovative, sustainable solutions to enable access to water and/or sanitation for people living at the base of the economic pyramid. Mrs. Bhandarkar and her team continue to scale WaterCredit in in the country through direct partnerships with financial and non-financial organizations, collaboration with enabling partners and engagement with the Government's Swatch Bharat Mission. Water.org has been working in India for more than 10 years with offices in Chennai and Delhi. Working with the implementing partners, Water.org has helped reach 60 lakh people in the country with access to water and/or sanitation.

Mrs. Bhandarkar brings more than 25 years of experience building teams and businesses with Indian and international financial institutions. Prior to joining Water.org in January 2016, Mrs. Bhandarkar served as Vice Chairman and Managing Director at Credit Suisse Securities (India) Private Limited from 2010-2015. Previously, she served as the Managing Director & Head of Investment Banking at J.P. Morgan, where she worked from 1998-2010. She began her career at ICICI Bank in 1989.

Since early 2015, Mrs. Bhandarkar has dedicated her time to corporate boards and social enterprise, serving as independent director on several corporate boards, and as a volunteer, fundraiser and board member of the Jai Vakeel Foundation, an institution focused on children and adults with intellectual disability. She also serves as a part time member of the Banks Board Bureau.

3. MR. P. S. JAYAKUMAR, INDEPENDENT DIRECTOR (Appointed w.e.f. July 10, 2020)

Mr. P S Jayakumar, 58 years, is a Chartered Accountant and holds post graduate diploma in business management from XLRI Jamshedpur. Mr. P S Jayakumar has a deep experience in the banking sector and financial sector with 23 years of work experience with Citibank in their India and Singapore office. Mr. P S Jayakumar's last assignment in Citibank was being the Country Head for the Consumer Banking Group. In his 23 years of working in Citibank, Mr. P S Jayakumar has been involved in innovation and development of retail financial service industry.

On leaving Citibank in 2008, Mr. P S Jayakumar worked as an entrepreneur and was a cofounder of Value Budget Housing Company, a leader in housing for low and moderate income household. Value Budget Housing pioneered the use of manufacturing approach to construction and application of form and IT technology to low cost and affordable housing. In 2008, Mr. P S Jayakumar also confounded Home First Finance Ltd, a housing finance company licensed by NHB and provides long term purchase money mortgage loans for customers from low and moderate income household. These two companies have contributed to pioneering effort in building demand and supply for low cost and affordable housing.

In 2015, Mr. P S Jayakumar was selected by the Government of India to serve as the Managing Director and CEO for Bank of Baroda, first person from the private sector selected to run a large public sector bank. He lead a successful transformation of Bank of Baroda and completed three way merger between Bank of Baroda, Vijaya and Dena Bank. He was also awarded the 'Banker of the Year' by Financial Express for 2018. Currently Mr. P S Jayakumar is working on his third start up venture and besides Tata Motor Finance Group of Companies also serves as an independent director on the Board of several other Companies.

4. MS. VARSHA PURANDARE, INDEPENDENT ADDITIONAL DIRECTOR (Appointed w.e.f. June 16, 2021)

Ms. Varsha Purandare, has varied experience of 36 years in the areas of Credit, Forex, Risk, Treasury, Capital Markets, Investment Banking and Private Equity.

Ms. Purandare was the Managing Director and Chief Executive Officer of SBI Capital Markets Limited ("SBI Caps") from November 2015 up to December 2018, where she was overall in-charge of SBI Caps and its five subsidiaries, covering investment banking and encompassing Equity Capital Markets, Debt Markets, Private Equity, Institutional & Retail Broking, Trustee & Foreign Subsidiaries. Prior to this, Ms. Purandare was the Deputy Managing Director and Chief Credit and Risk Officer of State Bank of India ("SBI"), where she headed the highest Credit Committee and was in-charge of the overall credit function. Besides the above, Ms. Purandare has held several positions in SBI, in India and abroad.

5. MR. P. B. BALAJI, NON-EXECUTIVE DIRECTOR

Mr. P.B. Balaji is a graduate from Indian Institute of Technology, Chennai and has a post-graduate management degree from Indian Institute of Management, Kolkata. Having started his career with Unilever in 1995 and worked in different corporate finance roles across Asian markets, Switzerland, UK and India, Mr. Balaji is very well oriented in global finance stream with over two decades of experience in the corporate sector. Mr. Balaji is the Group Chief Financial Officer of Tata Motors Limited. Before joining TML, he had been heading the finance function as the Chief Financial Officer of Hindustan Unilever, a $6 billion enterprise. Prior to that, he was the Chief Accountant of the Unilever Group in London.

6. MR. SHYAM MANI, NON-EXECUTIVE DIRECTOR

Mr. Shyam Mani is associated with Tata Motors Finance (TMF) Group since 2006. During his 14 years of association with the TMF Group, he has transformed TMF Group into a strong captive financing arm of Tata Motors Limited. Mr. Mani retired as Managing Director of TMF Holdings Limited on March 31, 2021. Currently, in addition to other Tata

Group Companies, he is Non-Executive Director of all three TMF Group Companies viz. TMF Holdings Limited, Tata Motors Finance Limited and Tata Motors Finance Solutions Limited.

Mr. Mani has played a key role in shaping the growth of TMF Group Companies both at strategic and visionary level. During his association with TMF Group, he led the Group towards growing the portfolio over Rs. 38000 cr. He led and oversaw a key restructuring exercise of TMF Group Companies, thereby setting it up for significant value creation in the coming years. His hands on approach coupled with astute leadership has made TMF win several accolades and awards in the last several years. Being a strong believer in analytics and technology, he set up the Analytics division of TMF in the year 2007, a first of its kind for any vehicle financing NBFC in India. He also championed several innovative business practices within TMF Group in the areas of Insurance and Used Vehicle business. TMF was also one of the first company to introduce the concept of Central Processing Centre (CPC) which was recognized by the Tata Group Innovation program.

Prior to joining TMF, Mr. Mani was the Vice President – Sales & Marketing for the Commercial Vehicles Business Unit of Tata Motors Limited (TML) and had a very successful tenure being responsible for the Commercial and Marketing functions of the entire Business Unit spanning the complete range of products from M & HCV trucks to the highly successful ACE. Mr. Mani has led the successful growth in numbers as well as market shares of the BU and had been closely involved in new product introductions as well as in setting up and growing a large sales team. He has led the entire revamping and growth of the dealer network at TML.

Mr. Mani also served Tata Capital as Chief Operating Officer – Retail Finance prior to his stints with Tata Motors Finance.

Mr. Mani is an alumnus of IIT, Kanpur and has a vast experience of over 40 years in the Industry spanning Manufacturing and Finance.

7. MR. MAYANK PAREEK, NON-EXECUTIVE DIRECTOR (Ceased w.e.f. June 25, 2020)

Mr. Pareek has a post Graduate Diploma in Business Management from Indian Institute of Management, Bangalore and a Bachelor of Engineering Degree from Indian Institute of Technology, (BHU). Mr. Mayank Pareek joined Tata Motors as the President, Passenger Vehicle Business Unit in October 2014. As the President, he is responsible for steering the Passenger Vehicle Business and is overseeing Sales and Marketing, Product Planning and Development, Manufacturing, Dealer Development, Spare Parts and After Market Services. Mr. Pareek comes with over two decades of experience with Maruti Suzuki India Limited (MSIL). His last role as the Chief Operating Officer, wherein he was heading the Marketing and Sales vertical that included Domestic Marketing and Sales, International Business, Dealer Development, Product Development, Used Car Business, Outbound Logistics, Spare Parts and Accessories, After Market Services and International Marketing & Sales. He was also a member of MSIL Management Committee, and a permanent invitee to the MSIL Board. He began his career in 1982 with BHEL and worked in the manufacturing function and joined Maruti Udyog in 1991. Initially, he was responsible for sales in the North region and subsequently managed dealer development. During his tenure with Maruti, he also led new strategic initiatives like Leasing, Financing and Used Cars Business.

8. MR. GIRISH WAGH, NON-EXECUTIVE DIRECTOR (Ceased w.e.f. June 23, 2020)

Mr. Girish Wagh holds a Bachelor's Degree in Mechanical Engineering from Pune University. He also holds a Post Graduate Diploma in Manufacturing Management from S.P. Jain Institute of Management and Research. In Jun'17, Mr. Girish Wagh took over as the Head of the Commercial Vehicles Business Unit of Tata Motors. His previous roles include Product Line Head – Medium & Heavy Commercial Vehicles, Head - Programme Planning & Project Management and Head - Operations of the Passenger Car Business Unit. In his illustrious career, Mr. Wagh has delivered key projects such as the Tata ACE - Mini Truck, Nano, Bolt, Zest, Tiago, Hexa and Tigor. In his long standing association of 25 years, he has worked in various roles related to Manufacturing, Purchasing & Supply Chain and Business Excellence. For his excellent contribution to the Automotive Industry he was recognized as a "Rising Star" by the Automotive News Europe in 2011.

9. MR. SAMRAT GUPTA, MANAGING DIRECTOR & CEO (Appointed w.e.f . June 17, 2020)

Mr. Samrat Gupta is the Managing Director & Chief Executive Officer (MD & CEO) of Tata Motors Finance Limited (from June 2020) and TMF Holdings Limited (from April 2021). He is a senior professional having 20 years of hands-on execution experience in driving profitable growth, corporate transformation and change management through organic & inorganic expansion.

As the MD & CEO, he is focused on creating shareholder value by running organization wide initiatives that lead to improvement in customer satisfaction, enhance employee engagement, and generate healthy cash-flow. He joined TMF Group in the year 2014 as the Chief Financial Officer (CFO). In the year 2017, he was elevated to the position of CEO. During his 4 years stint as the CFO, among other achievements, he was instrumental in undertaking the financial restructuring of TMF Group under the Project Phoenix banner. Prior to joining TMF Group, Mr. Samrat has worked with many leading organizations including the TATA Group companies and other MNCs. As an investment banker, he has worked in global assignments related to cross border acquisitions, private equity and start-up venture fund raising, pricing and large contract negotiation, offshore and onshore infrastructure facility and resource augmentation, devising and implementing human capital strategy, leadership development and succession planning, equity & debt financing, balance sheet restructuring, buy back and capital reduction programs.

Mr. Samrat has an MBA from the University of Manchester. He has widely travelled across the globe and his interests include listening to music and networking with people.

Corporate Social Responsibility

As a good corporate citizen Tata Motors Finance has been supporting community development projects over the years irrespective of whether we are liable for mandatory CSR spend or not. Our projects are designed with the ethos of creating sustainable impact. We have a stated sustainability objective of being a socially responsible corporate aiming to improve the quality of life in the communities we serve strengthening our commitment to 'Care & Concern' for the key communities we serve. Our CSR strategy has focused initiatives under three pillars:

- *I-Care* : Community Reach Programs
- *Think Green :* Environmental Programs
- *IMPACT:* Employee volunteering initiatives

Our projects like Project Uddan, Financial acumen program are part of I Care which is about community well-being. During the pandemic year, we encouraged employees to follow all safety protocols and avoid stepping out of in person volunteering. But, we have many instances of our IMPACT volunteers taking up community welfare in personal capacity, eg donating plasma post COVID recovery, etc. We shared these stories with TMF Wolfpack Family under the campaign' Volunteering stories with a heart'. During Tata Sustainability Month, under Think Green we encouraged our employee's children to participate in Biodiversity Poster making program, along with other online campaigns like Biodiversity quizathon, World Earth Day Quiz etc.

In our endeavor to strengthen this bond with our key community, we are moving towards a larger philosophy of 'Nation Building' through CSR programs this year. While we focus on these new programs, our Project Uddan programs are concluding in a sustained manner. In our 5+ CSR journey, we have consciously worked on causes, which needs attention and used interventions which are sustainable, even after the completion of project tenure. Bhandara Project concluded in FY 20 and the endline results show impact on the key indicators. Our Adolescent Girl Child Program- Uddan is aligned to global sustainable development goals (SDGs) - quality education, gender equality and reduced inequalities. Our new interventions will have alignment to the goals - Decent work and economic growth, Reduced inequalities, Good health and wellbeing

Overview of Project Uddan: The whole idea is to create sustainable impact in the community through structured interventions. We started this project in Bhandara), Maharashtra in 2015. We started the need analysis for this integrated project by conducting a baseline study. The study showed that in villages of Maharashtra 20% of the female youth had dropped out of school at some point. They had difficulty in understanding English, science and math and had difficulties in coping up with studies. 80.3 % of the adolescent girls did not believe that they can actualize their educational & career aspirations due to poverty, lack of facilities, inequality etc. Our NGO partner for this project is Magic Bus India Foundation. We wanted to create impact in difficult geographies. Hence, Joynagar was selected as the 2nd location for the project in South 24 Parganas, West Bengal and then Kurnool in Andhra Pradesh. We follow a holistic development approach which is deeply woven into the layers of the community and in creating change agents in the community and help girls develop a positive attitude. Our initiatives thus involve parents, teachers, schools, local administrative bodies as well. We also conduct periodic assessment of the programs. One of the inadvertent positive consequences of the Uddan program was the genesis of the Shakti Vahini, i.e., community social action group of beneficiaries in Joynagar. Girl students felt the need to form a group that would work collectively towards addressing the social issues prevalent in the area. While the Shakti Vahini is not a component of the Uddan program, its goals align with some of the Uddan program goals. The objectives of the Shakti Vahini are Stop early marriage, Reenroll dropped out students and Stop Child Labour. Shakti Vahini conducts meetings to discuss the issues brought to their notice and the ways of tackling them. Schools have a single Shakti Vahini group which may include representatives from each class.

During the scholarship events, leaders make it a point to address all our stakeholders – adolescent girls, parents etc. During the field visits they also closely in interact with project field staff, school Principals, Gram Panchayats, etc. Apart from this, employees in our Nagpur, Kolkata and Kurnool offices and respective regional offices regularly engage with the stakeholders as ambassadors of Tata Motor Finance's Project Uddan.

Flagged off in Bhandara, Maharashtra, project Uddan successfully created awareness on key issues such as education, health, menstrual hygiene, and early marriage among adolescent girls. It also involved the participation of parents, teachers, schools, and local administrative bodies to achieve the twin objectives of holistic development and creating a sustainable impact on the community.

A STUDY OF THE IMPACT OF UDDAN

S. No.	Key Indicators among adolescent girls	Baseline	Midline	Endline	Trend
1	Aspire to study up to graduation or beyond	59.90%	75.50%	92.8%	↑
2	Are aware of the benefits of schooling	91.6%	96%	97.8%	↑
3	Are aware about anemia	42.70%	49.40%	65.93%	↑
4	Are aware of why menstruation occurs	54.70%	52.10%	70.65%	↑
5	Use sanitary napkins during menstruation	59.90%	82.80%	97.67%	↑
6	Are aware of the consequences of early marriage	46.10%	83.70%	84.07%	↑

uddan
empowering the future
TATA Motorsfinance

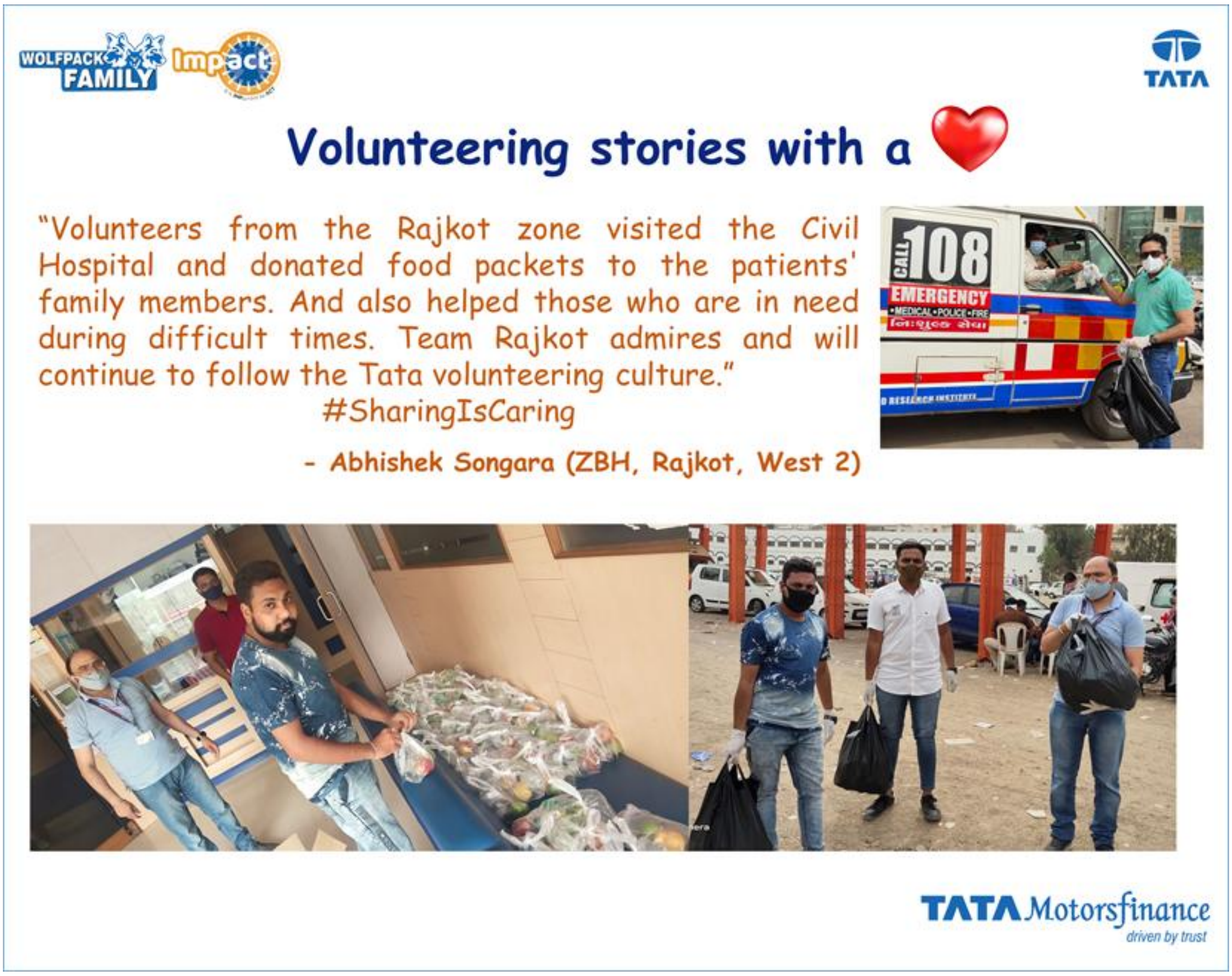
We launched TMF's CSR film 'Uddan Ek Nayi Umeed" which takes us through the stories of impact Project Uddan has made over the years.

Under our Think Green – Environmental Initiatives, we created awareness of Biodiversity during Tata Sustainability Month. We involved employees in unique quizathon on biodiversity and also engaged our employees' children across age groups through Biodiversity Poster making program.

Under IMPACT our employee volunteering program, we encouraged employees to participate in Tata Group's skill based volunteering program ProEngage. Employees who volunteered during the pandemic, their stories were shared with the larger TMF Wolfpack Family by means of a campaign "Volunteering Stories with a Heart".


Why I tell all Tata Colleagues to apply for ProEngage?
I had a privilege to be associated with a non profit NGO as a Pro Engager. This NGO is into mentoring and hand holding underprivileged youth who would have typically passed out from school and are now not sure or aware of what they should be doing.
It was a huge learning , knowing and understanding the psyche of such youth, their outlook towards life and their future goals. Those 12 months spend with them will always be memorable and cherished . Such acts always give you immense peace and joy.
I am proud to be a Pro Engager.. Believe me, all of us are capable of doing something and making this world a better place to live for everyone !
- Rahul Thombre (I AM PROENGAGER)
TATA
U Make the Difference
Name : Rahul Thombre
Designation : RBH
Company : Tata Motors Finance Ltd
Location : East 2
ProEngage NGO : Antarang Foundation Mentoring Youth
proengage
A TATA SUSTAINABILITY GROUP PROGRAMME
Impact
Click here to apply for ProEngage
TATA Motorsfinance
driven by trust


WOLFPACK FAMILY
Impact
TATA
Volunteering stories with a
"After my recovery from Covid-19, I took 1 months time to donate my plasma to COVID affected patients. Being a Tata Group employee its my responsibility to save another's life in difficult times. I have donated my plasma to 3 critical patients in a span of 3 months."
- Sai Raghava (State Coordinator, Hyderabad, South 1)
Have you submitted your volunteering story ?
If you have volunteered last year in your personal capacity, share your story with us...
Click here to submit your details..
Link will be valid till 24th April 2021
TATA Motorsfinance
driven by trust


WOLFPACK FAMILY
Impact
TATA
Volunteering stories with a
"Volunteers from the Rajkot zone visited the Civil Hospital and donated food packets to the patients' family members. And also helped those who are in need during difficult times. Team Rajkot admires and will continue to follow the Tata volunteering culture."
#SharingIsCaring
- Abhishek Songara (ZBH, Rajkot, West 2)
CALL 108
EMERGENCY
MEDICAL • POLICE • FIRE
TATA Motorsfinance
driven by trust

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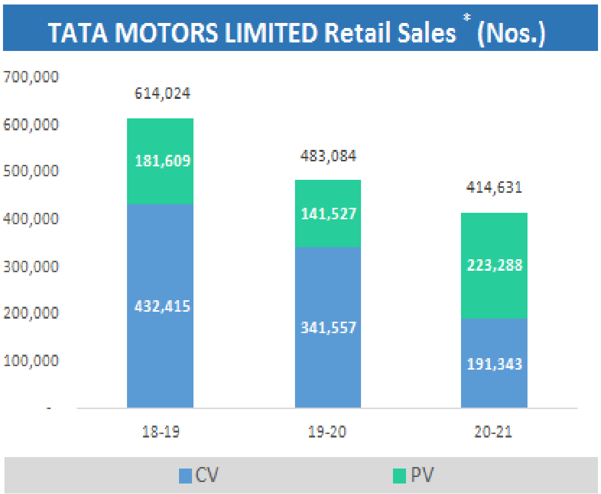
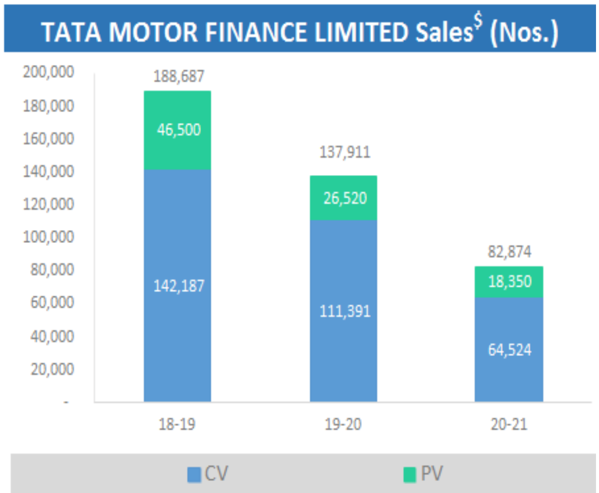
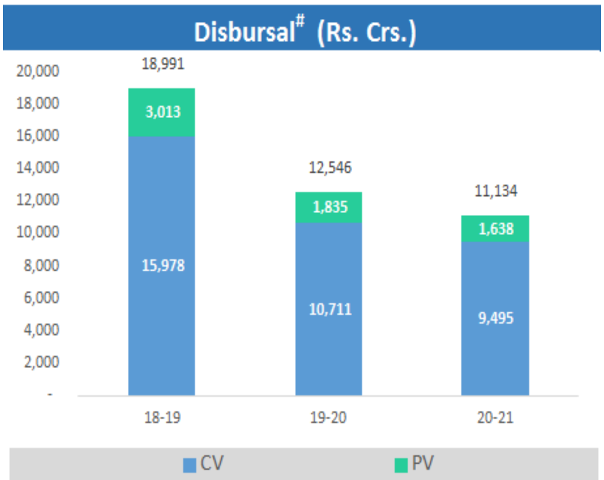
KEY FINANCIAL INDICATORS



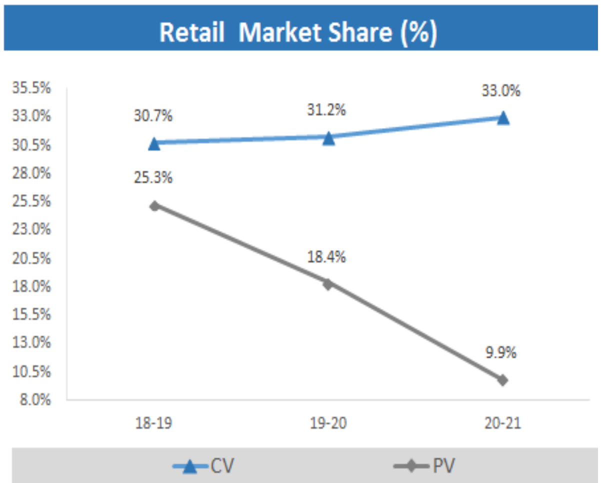
* Excludes direct sales to Government & STU's



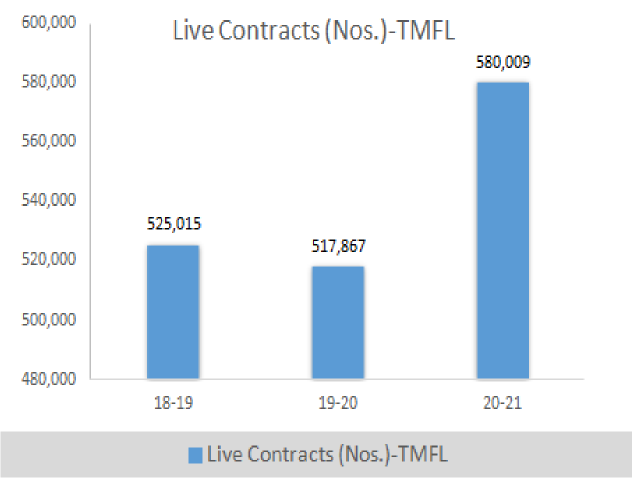
$ Excludes ECLGS Count



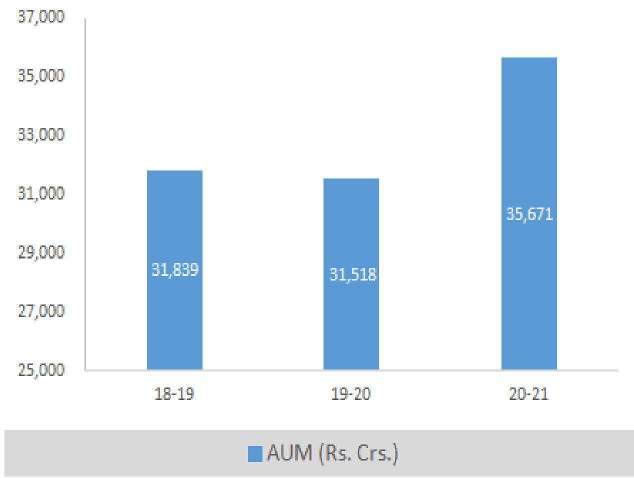
Disbursal includes Co-sourced disbursal in Partnership with Banks



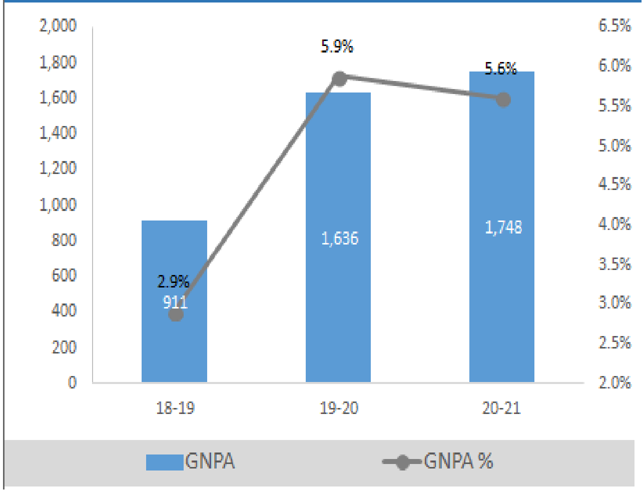
Live Contract (Nos.)



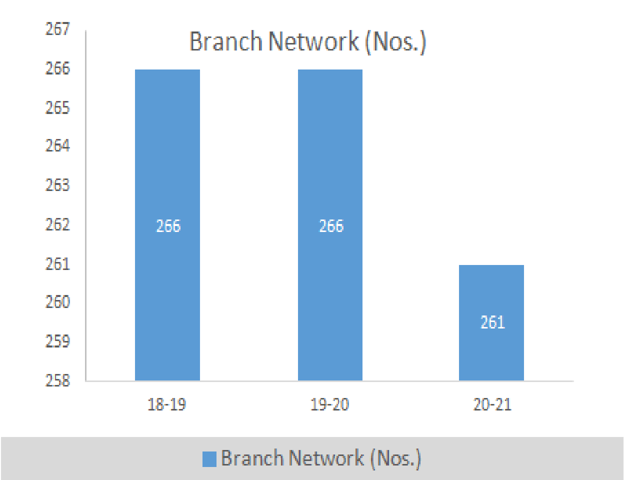
AUM (Rs. Crs.)



GNPA (Rs. Crs) & %



Branch Network (Nos.)



DIRECTORS' REPORT

To,

THE MEMBERS

TATA MOTORS FINANCE LIMITED

The Directors feel privileged to present the 32nd Annual Report on the business and operations of the Company and the statement of accounts for the year ended March 31, 2021.

1. BACKGROUND

Tata Motors Finance Limited (hereinafter referred as 'TMFL' or 'Company' is a subsidiary company of TMF Holdings 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), re-classified vide circular dated 22nd February 2019 as NBFC-Investment and Credit Company (NBFC-ICC).

2. ECONOMIC AND INDUSTRY OVERVIEW

Economic Overview

The outbreak of COVID-19 pandemic threw the world economic order out of gear and subjected even the biggest and oldest business houses to test, defining a 'new normal' in the process. The turmoil and sudden grinding halt due to lockdown and movement restrictions significantly marred socio-economic activities in H1-FY21 across the globe and in India. With the gradual relaxation of lockdown restrictions, economic activity began making a slow but certain recovery from the unprecedented lows of first half of the fiscal. Having weathered the un-earthly lows effectively, India garnered positive sentiment in global market owing to the Government's stimulus measures, timely intervention of the central bank, infrastructure investments and large-scale public vaccination plans. Most research houses and institutions are expecting India to grow anywhere between 7.7% to 13.7% in FY22 strengthening its position as the preferred market and fastest growing economy.

Trends of key macro-economic indicators are as follows:

Macro-economic Indicators % Y-O-Y	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
CPI	6.3	6.2	6.7	6.7	7.3	7.6	6.9	4.6	4.1	5.0	5.5
WPI	-3.4	-1.8	-0.2	0.4	1.3	1.3	23	2.0	2.5	4.2	7.4
GST Collections (Rs Tn)	-38.0	-9.0	-14.4	-12.0	3.9	10.2	1.4	11.6	8.1	7.4	27.0
Central Govt. Exp. (Rs. Tn.)	-20.7	45.7	5.6	-15.2	-26.0	9.5	48.3	29.1	49.5	52.9	NA
Unemployment%	21.7	10.2	7.4	8.4	6.7	7.0	6.5	9.1	6.5	6.9	6.5
PMI-Manufacturing	30.8	47.2	46.0	52.0	56.8	58.9	56.3	56.4	57.7	57.5	55.4
PMI-Services	12.6	33.7	34.2	41.8	49.8	54.1	53.7	52.3	52.8	55.3	54.6
NSE-VIX	30.2	29.1	24.2	22.8	19.5	24.8	19.8	21.1	25.3	28.1	20.6
91 Day T-Bill %	3.2	3.2	3.3	3.2	3.4	3.2	2.9	3.1	3.3	3.2	3.3
10 Year G-Sec Rate	5.8	6.0	5.7	6.1	6.1	5.9	5.8	6.0	6.0	6.3	6.3
Fill Inflows USD Bn	-1.0	3.4	0.5	6.7	-0.2	3.0	8.5	9.6	2.0	3.3	2.3

However, prospects through fiscal 2022 will hinge on investment revival and success of reforms, both of which comes with its own set of challenges. Further, fresh lockdown and curbs in various states in the face of a severe second wave of coronavirus infections – COVID 2.0, has put the break on economic recovery. Pain in the short term is likely to continue, but the outlook in the medium term is anticipated to improve. With focus on infrastructure, long haul is expected to continue to do well. Mining and quarrying sector is also expected to gain on the back of increase in demand from non-power sectors and positive government reforms. High frequency indicators for Mar-21 & Apr-21 witnessed an upward trend from low base of last year to attain pre-COVID levels. This was also echoed in Google mobility and traffic data. April data indicates activity levels like Sept-Oct of last year. Agricultural sector continued to witness growth backed by a normal monsoon.

Automotive Industry overview

Auto sector down cycle started much before the pandemic outbreak with the domestic commercial vehicle industry witnessing one of the worst years in history in FY20, as wholesale volumes contracted by a sharp 29%. The sector continued to witness headwinds from all fronts, be it financing availability, macro-economic environment, regulatory developments or fleet operator health. These headwinds only compounded with the outbreak of the pandemic.

The new year – 2021 brought in a new dawn of hope for humankind as the fight against COVID-19 entered mass vaccination phase for the global population. It was no different for India's Auto Inc which registered much-improved sales in December. CV sales in 2020 was at a decadal low but witnessed a comforting recovery from Jul-20. Transport indicators such as FASTag collections, E-Way bills reached pre-COVID levels in second half of FY21. While freight movement recovered to pre-COVID levels, passenger movement is yet to achieve that. March retail demand continued to be robust for PVs, but production constraints (semiconductor shortage) led to slightly lower than expected wholesale volumes. MHCV volumes surprised positively in March, being a seasonally strong month for MHCVs.

Overall volumes in both domestic Passenger & Commercial vehicle sales in FY21 fell further from the lows of FY20 (3.49 million units) to about 3.28 million units, a 6 % de-growth Y-o-Y. While the domestic Commercial Vehicle (CV) industry sales volumes fell by 20.8% in FY21 over FY20, domestic Passenger Vehicle (PV) industry sales waned by about 2% during this period.

Slowdown in new car sales, higher preference for used cars in place of public transport and ride hailing due to the pandemic, act as triggers to push up market; financing for old cars sees major jump during FY21. Demand for Used Vehicles with low vintage is showcasing an increasing trend, due to shortage of New Vehicles, thereby improving resale value. Private sector banks have started entering the Used Vehicle market seriously, thereby increasing competition in the Auto NBFC space. Many in the vehicle finance space are bringing about a change in the lending strategy by shifting from low-yielding products such as heavy commercial vehicles (HCVs) to high-yielding products such as used vehicles.

NBFC Sector Overview

NBFC sector has experienced multiple challenges over the last few years starting from impact of demonization to liquidity crunch driven by IL&FS crisis and issues surrounding asset quality for a few large NBFCs. In FY21, NBFC sector has had to wade through a raft of challenges amidst economic slowdown and asset quality concerns exacerbated by the pandemic induced lockdown.

Government support in terms of moratorium has helped this sector, however only temporarily. RBI also stepped in with rate cuts, allowing one-time restructuring, TLTRO windows etc. These measures threw a much-needed lifeline to most vulnerable companies to tide over liquidity crisis. On the supply side, sources of funds dried up, more so for small and mid-sized NBFCs on account of reduced risk appetite of banks for low rated and unrated exposures. The situation was worsened by unprecedented redemption pressure overshadowing the mutual fund industry, resulting in a spike in spreads. On the demand side, it became difficult for NBFCs to find creditworthy projects and borrowers to lend to as a result of pandemic induced stress.

CRISIL research reports had indicated degrowth in FY21 would be followed by a mellow growth in FY22 for NBFC sector. Green shoots from various measures have been visible in the last quarter of FY21, but sustainability remains the key. With the second wave of COVID, growth is likely to be pushed to second half of FY22. Capex plans may come to a temporary halt and sentiment is likely to be affected. NIMs could come under pressure given excess liquidity and limited avenues to lend. Asset quality issues in the first wave were contained with liquidity schemes and fiscal support to various parts of the economy. Banks and NBFCs built in elevated provisions to offset the impact. Asset quality has surprisingly panned out better so far. However, with the second wave and lockdown restrictions, economic recovery is likely to get stalled and would impact earnings and ability to repay loans. Further, with repayments under ECLGS falls due in second half of FY22, one could see higher delinquencies.

3. FINANCIAL RESULTS

(Figures in Crore)

PARTICULARS	F.Y. 2020-21	F.Y. 2019-20
Total Income	4,024.33	3,851.83
Less:		
Finance Costs	2,244.83	2,479.78
Impairment of financial instruments and other assets	859.47	604.38
Employee benefits expenses	266.68	247.97
Other expenses	375.69	444.86
Depreciation / Amortization	58.55	45.63
Profit Before Exceptional Item	**219.11**	**29.21**
Exceptional item	-	-
Profit Before Tax	**219.11**	**29.21**
Less: Tax Expense	(30.57)	(29.95)
Profit After Tax	**249.68**	**59.16**
Other comprehensive income forming part of Retained earnings	(3.41)	2.16
Total comprehensive income for the year	**246.27**	**61.32**
Balance brought forward from previous year (distributable)	226.30	265.68
Amount Available for Appropriations	**472.57**	**327.00**
APPROPRIATIONS		
Statutory Reserve	49.93	11.83
Dividend on equity shares	-	35.32
Dividend on preference shares (non-cumulative)	18.50	18.50
Distributions made to holders of Instruments entirely equity in nature	28.75	-
Interim dividend on equity shares	-	-
Tax on Dividend	-	30.41
Issue expenses on Perpetual Debt	12.75	4.64
Surplus carried to Balance Sheet	**362.64**	**226.30**

The Company has transferred 20% of the net profit after taxes i.e., ₹ 49.93 Crores to Statutory Reserve created pursuant to the provisions of the RBI Act, 1934.

4. DIVIDEND

The Board of Directors, at its meeting held on April 30, 2021 had recommended a final dividend of ₹ 8.2 per Cumulative, Non-Participating Compulsorily Convertible Preference Shares (CCPS) of ₹ 100 each (8.2%), ₹ 10 per Cumulative, Non-Participating Compulsorily Convertible Preference Shares (CCPS) of ₹ 100 each (10%) and Rs. 10 per Non Cumulative, Non-Participating Compulsorily Convertible Preference Shares (CCPS) of Rs. 100 each (10%), subject to approval of the members of the company at the forthcoming Annual General Meeting. The Board had recommended a final dividend of ₹ 6.05 per equity shares of ₹ 100 each at its meeting held on July 20, 2021, 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, 2021. Dividend will be payable to those Members whose names appear in the Register of Members as on June 25, 2021 i.e., the date of book closure/record date or the list of beneficiaries provided by depositories for dematerialised securities as of June 25, 2021. The proposed dividend will absorb a sum of Rs 102.35 Crores excluding taxes.

5. OPERATIONS

During the financial year 2020-21, the Company recorded new vehicle disbursals of ₹ 8,875 crores a drop of 29% in comparison to FY2019-20 disbursals of ₹ 12,451 crores. The Company financed overall 82,874 units of vehicles as compared to 1,37,911 units in FY 2019-20, registering a decline of 40% YoY. Commercial Vehicle financing contracts declined by 42% to 64,524 units in FY 2020-21 as compared to 1,11,391 units in FY 2019-20. The Passenger vehicle financing contracts too fell by 31% to 18,350 units as compared to 26,520 units in FY 2019-20. Also during FY 2020-21, the company disbursed ₹ 1,916 crores under Emergency Credit Line Guarantee Scheme (ECLGS).

During the financial year ended March 31, 2021, the Company earned a total income of ₹ 4,024.33 crores as compared with ₹ 3,851.83 crores in FY 2019-20, profit before tax (PBT) of Rs. 219.11 crore as against ₹ 29.21 crore in FY 2019-20 and profit after tax of ₹ 249.68 crore as against ₹ 59.16 crore in FY 2019-20.

6. FINANCE

During FY 2020-21, 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, 2021 stood at ₹ 31,089 crore comprising mainly of Bank Borrowings (including ECBs) of ₹ 17,993 crore, Commercial Papers amounting to ₹ 6,015 crore, and Non-Convertible Debentures (including Perpetual and Sub Debt)) of ₹ 4,130 crores. The weighted average cost of borrowings for the year ended March 31, 2021 was 7.71% per annum on average borrowings of ₹ 28,810 crore. The Debt / Equity ratio as on March 31, 2021 was 6.94 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-/ Stable	ICRA AA-/ Stable	CARE AA-/ Stable
4	Non-Convertible Debenture	CRISIL AA-/ Stable	ICRA AA-/ Stable	CARE AA-/ Stable

5	Subordinated Tier II Debenture	CRISIL AA-/ Stable	ICRA AA-/ Stable	CARE AA-/ Stable
6	Perpetual Debt	CRISIL A/ Stable	ICRA A/ Stable	CARE A /Stable

* Outlook revised by CRISIL from Negative to Stable w.e.f. 17th March 2021.

@ Outlook revised by ICRA from Negative to Stable w.e.f 08h February 2021.

Outlook revised by CARE from Negative to Stable w.e.f. 24st March 2021

8. CAPITAL ADEQUACY

The Company's Capital adequacy as of March 31, 2021 is 19.36% (March 31, 2020: 16.85%), which is higher than the RBIs mandated level of 15.0%.

9. LIQUIDITY COVERAGE RATIO

The Company has an Asset Liability Supervisory Committee (ALCO), a Board level Sub-committee to oversee liquidity risk management. ALCO consists of Non-Executive Director, Independent Directors, Chief Executive Officer and Group Chief Financial Officer. The ALCO meetings are held every quarter. TMFL has a Risk Management Committee (RMC), a sub-committee of the Board, which oversees overall risks to which the Company is exposed including liquidity risk management (LRM). ALCO's views on liquidity and asset liability management are presented to RMC for its independent review on a regular basis. The ALCO and RMC also updates the Board at regular intervals.

RBI vide circular dated November 4, 2019 has made it mandatory for NBFCs to implement Liquidity Coverage Ratio (LCR) with effect from December 1, 2020. Accordingly, the Board and ALCO has approved the Liquidity risk management policy including LCR policy. The overall Liquidity risk management of TMFL is under the guidance of the ALCO and within the overall framework of the Board approved policies. The mandated regulatory threshold as per the transition plan is embedded into the policy to ensure maintenance of adequate liquidity buffers. LCR computations are reported to ALCO and the Board for oversight and periodical review. LCR seeks to ensure that TMFL has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash promptly and immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario. As a strategy, TMFL has been maintaining callable fixed deposits and balance in current account with banks which has resulted in a high level of HQLA. TMFL follows the criteria laid down by the RBI for month-end calculation of High-Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises bank deposits and some portion of equity investments with mandated haircuts applied thereto. TMFL is funded through Commercial papers, term loans from banks, long term bonds, and foreign currency borrowings. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation. The Company assesses the impact on short term liquidity gaps dynamically under various scenarios covering business projections under normal as well as varying market conditions. Periodical reports are placed before the Company's ALCO for perusal and review. The LCR is calculated by dividing a TMFL's stock of HQLA by its total net cash outflows over a 30-day stress period.

RBI has mandated a minimum LCR of 50% from December 1, 2020 and TMFL's LCR stood at 132% for the quarter ended March 31, 2021. LCR for financial year 2020-2021 has been calculated as simple averages of monthly observations over the previous quarter. In other words, quarterly LCR percentages have been derived by averaging each line item in monthly LCR calculation.

10. ASSIGNMENT OF RECEIVABLES

DIRECT ASSIGNMENT

During the year, the Company also concluded 13 direct assignment transactions by assigning future loan receivables including future interest in the pool, aggregating to Rs. 3646.49 crore (Principal Outstanding Rs. 3087.97 crore). As the transactions were par structures, the Company received the amount equal to investor share in principal outstanding against assigned contracts, the balance share (Minimum 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.

Direct assignment transactions mentioned above includes four transaction done under partial credit guarantee scheme of central govt, in which company has given first loss credit enhancement of Rs. 59.00 Crore. Company has not de-recognised this transaction under Ind AS as risks has retained with the company.

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.

11. SHARE CAPITAL

As at March 31, 2021, the Authorised Share Capital of the Company was Rs. 2000,00,00,000 (Rupees Two Thousand Crore) and Paid-Up Share Capital was Rs. 1331,27,68,900/- (Rupees One Thousand Three Hundred Thirty One Crore Twenty Seven Lakhs Sixty Eight Thousand Nine Hundred only).

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the FY 2020-21, the Company had not given any loan, made any investment or provide any guarantee in violation to the provisions of Section 186 of the Companies Act, 2013.

13. INFORMATION TECHNOLOGY

The organisation has a multi-pronged strategy towards leveraging Technology and make it an inherent part of business.

- **Project Turbo:** End to end Digitization of our sourcing process – the Company partnered with an emerging fin-tech company focused on lending as their core capability (Lentra) and launched the project Turbo to completely re-platform and re-define the sourcing process. The platform leverages new technologies like OCR (Optical Character recognition), Digital process for KYC, Validating POI and POA documents directly from the source databases like (UIDAI, NSDL, VAHAN etc.), Integrates with our own rule engine Sober for credit decisions and Digital agreements including eSign for complete transparency across the process, much improved customer experience and significant reduction in turnaround time (TAT). The new platform is currently gone live all India in H2 2021 and the results show significant ease of use, adaptability and much improved productivity of our sales force.
- **Lakshmi – Integrated collection management system**: Subsequent of our deployment of a collection app for collections, the organization has invested in an end to collection system integrating allocation, follow up with the customers, supports pro-active litigation, notices, remediation, delinquency management all under one platform. The platform also uses an AI based algorithm to nudge the CRE’s and setting reminders and complete support for the supervisors to monitor their filed force for much better efficacy. This is deployed in Q2 2021 and the results are very encouraging.
- **Business Intelligence**: the organization is committed to use analytics as a pivotal tool to be leveraged in all aspects of business be it Customer profiling, Risk profiling based on personal and cultural parameters and Risk based pricing with capability to continuously correct the scoring model based on past experience. Data analytics has become an integral part of our managing the NPA provisioning based on a probability modelling. The Company had enhanced out investment in analytics by upgrading our SAS platform with new and better visual tools.

- **Sustainability and Scalability:** The organization has moved away from a traditional self-managed datacenter with TCS to a state of the art Tier 4 Data center with CtrlS which is a leading data center service provider across the globe. With this DC migration we have managed to get rid of all our hold hardware with new and latest hardware using new generation processors, much more reliable and consuming less power. The Hybrid DC can provide scalability for the next 10 years.
- **New product launches:** The Company had leveraged SAP to introduce new products mentioned below to meet the regulatory requirements, customers demand for lifecycle financing and managing covid crisis.
  - ECLG Loan (Emergency Credit Line Guarantee Scheme)
  - Payment Solutions (Fuel Loan)
  - Granting 6 Months Moratorium due to Covid
  - Working Capital Loan
  - Business Loan
  - RPA (Robotic Process Automation)
- **Customer One App:** to service our customers, the Company had added many more self-service features on our customer facing app there by improving the adoption for a mere 8,000 a year ago to a 1,60,000+ customers.
- **Adoption and Compliance to RBI Mandate for NBFC's:** During FY 2017-18, RBI had issued the 'Master Direction – Information Technology Framework for the NBFC Sector' ("IT Master Directions") on June 8, 2017 and all NBFCs were required to comply with these IT Master Directions, by June 30, 2018. Accordingly, for adequate IT Governance, we have defined an adopted an Information Technology Policy, Information Security Policy and Cyber Security Policy, BCP Plan, Social Media Policy and has also constituted an Information Technology Strategy Committee there by fully complied with all the requirements of the IT Master Directions and the same has been validated by Deloitte Touche Tohmatsu India LLP.
- **Managed Covid crisis by enabled WFH (Work from Home)**

  To ensure the business continuity during Covid time, IT enabled the remote working of all the employees by shifting the IT assets to their respective home and provided the secured 2 level authentication VPN access to ensure the business as usual with zero-day productivity loss.
- **Digital Strategy:** A Comprehensive digital strategy has been laid out to drive transformation across the value chain targeting a better experience for its customers, Channel Partners, Dealers and Leverage the new age product companies as our partners to support our aspiration to be the preferred life time financier, meeting all the financing needs of its customer helping him grow form an FTU to a Fleet owner.

14. 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 20-21 are:

- TMF showcased agility in terms of adapting to New Normal, despite of the challenging scenario our Employee Engagement Score (EES) stood at 94% and attrition was at its lowest.
- Ensured Wolfpack is motivated and energized even during uncertainty. We leveraged digital/virtual channels, introduced new Initiatives in Engagement, L&D, R&R. Digital employee initiatives were launched under Connect, Upgrade & Recharge. 'Hunger Games- reloaded' Reward and Recognition program launched to strengthen Wolfpack's high performing culture

- L&D team launched various digital learning interventions through-out the year on functional as well as soft skills learning including Turbo training, Fuel Loan & Payment Systems, etc. They took feedback as well as further refined the learning interventions through the Learning Connects with regional and zonal business heads.
- Based on feedback from business and inputs from employees, we created Span Breaker roles reporting to ZBH for better span control as well as effective dealer relationships in bigger zones.
- Through Maverick program we restructured business support departments like Credit and PLG to new 8 regions and zones structure through a comprehensive selection process.
- In the Talent Acquisition process, we benchmarked with other NBFCs and Banks and revised some key processes like background verification and pre-employment medical checks to both improve efficiency and align with the industry.
- Given pandemic situation we revised our induction process and made it completely on-line that was run on digital medium by respective business verticals.
- Programs & initiatives to ensure safety of TMF Wolfpack Family at various junctures was conducted under Safety and Health first intervention.
- EMPRO – our new HRIS was launched to provide a better employee experience throughout employee life cycle.
- As a part of adapting to new work norms, ‘Work From Anywhere’ policy was launched for the Head Office employees.

15. 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 2020-21, 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 2020-21, 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.

16. 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.

17. 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.

18. 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 Administration) Rules, 2014, as amended, forming part of the Directors’ Report for the year ended March 31, 2021 is enclosed as an “Annexure 1” to this Report.

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the website of the Company at www.tmf.co.in/Investor-zone.

19. ACCOUNTS AND ACCOUNTING STANDARDS

The financial statements for the year ended March 31, 2021 are prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

20. 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.

21. DIRECTORS

During the F.Y. 2020-21 and at the date of this report, following changes occurred in Board of the Company:

I. Mr Samrat Gupta, Chief Executive Officer (CEO) has been appointed as Managing Director & CEO of the Company w.e.f June 17,2020.
II. Mr. P.S. Jayashankar, has been appointed as a Independent Director of the Company w.e.f. july 10, 2020.
III. The term of Mr. Phille Karkaria, an Independent Director of the Company was ended on March 31, 2020 and he ceased an Independent Director of the Company with effect from April 0, 2020.
IV. Mr. Girish Wagh and Mr. Mayank Pareek, Non-Executive Director of the Company have resigned from the Board of Directors of the Company w.e.f. june 23, 2020 and June 25,2020 respectively.
V. Ms. Varsha Purandare has been appointed as an Independent, Additional Director w.e.f June 16, 2021 subject to confirmation of shareholders 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 is liable to retire by rotation at ensuing Annual General Meeting and eligible for re - appointment.

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.

The Board is of the opinion that the independent Directors of the Company has the required integrity, expertise, and experience (including the proficiency).

22. 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.

23. 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.

The company has adopted the Remuneration Policy for Directors, Key Managerial Personnel, and other employees of the Company pursuant to the provisions of Section 178(3) of the Companies Act, 2013. The Company has also adopted Tata Group Corporate Governance Guidelines, copy whereof is placed on the website of the company i.e. www.tmf.co.in. 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.

Salient features of the Remuneration Policy, inter alia, includes:

- Remuneration in the form of Sitting Fees and Commission to be paid to Independent Directors and Non-Independent Non-Executive Directors, in accordance with the provisions of the Act and as recommended by the NRC;
- Remuneration to Managing Director/Executive Directors/KMP and all other employees is reasonable and sufficient to attract, retain and motivate them to run the Company successfully and retain talented and qualified individuals suitable for their roles, in accordance with the defined terms of remuneration mix or composition; and
- No remuneration would be payable to Directors for services rendered in any other capacity unless the services are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession and approval of the Central Government has been received, if required, for paying the same.

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 annually pursuant to the RBI Master Directions for NBFCs.

24. KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Samrat Gupta, Chief Executive Officer has been appointed as Managing Director and CEO of the Company w.e.f June 17, 2020. Further, Mr. Anand Bang has resigned as Chief Financial Officer w.e.f. August 01, 2020 and Ms. Ridhi Gangar has been appointed as Chief Financial Officer of the Company w.e.f. August 01, 2020. As on the date of report, the key managerial personnel of the Company are Mr. Samrat Gupta, Managing Director & CEO, Ms. Ridhi Gangar, Chief Financial Officer and Mr. Vinay Lavannis, Company Secretary.

25. INTERNAL AUDIT FUNCTION

Amid volatility and elevated uncertainties, TMFL's ability to take risks and manage them efficiently is a key factor of business success. TMFL has devised appropriate systems and frameworks including automated Internal Financial Controls framework, Enterprise-Wide Risk Management framework, Fraud Control Unit, detailed Delegation of Authority, effective IT systems aligned to business requirements, a robust Legal compliance and Ethics framework and a Whistle Blower mechanism to manage its risks and ensure achievement of its strategic and business objectives. Internal Audit helps the Company accomplish its objectives by providing an independent appraisal of the adequacy and effectiveness of these Governance, Control and Risk Management processes set up by the Management. The function provides an independent and objective assurance, advice, and insight to the management on all aspects of risk and controls.

The Chief Internal Auditor of the Company is appointed by the Audit Committee and Board of Directors. The position reports functionally to the Chairman of the Audit Committee of the Board and administratively to Mr. Samrat Gupta Managing Director & CEO. Under the guidance of the Chief Internal Auditor, the Internal Audit Department evaluates the adequacy and effectiveness of Governance, Risk Management and Controls basis a risk based Internal Audit plan approved by the Audit Committee covering both corporate functions and branch operations. The Audit Committee of the Board reviews the status of Internal Audit Plan achievement and the issues and recommendations highlighted in the Internal Audit reports on a periodic basis in the presence of the management. The Internal Audit reports are discussed and recommendations for improving the risk and control environment are implemented in a time bound manner. The Internal Audit function of the Company also reviews and ensures that the audit observations are acted upon on a timely basis.

During the current financial year, M/s. Deloitte Touché Tohmatsu India LLP, PKF Sridhar & Santhanam 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.

26. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal controls for ensuring the orderly and efficient conduct of the business, including adherence to the Companies' policies, safeguarding of assets, prevention and detection of frauds and errors, 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 as required by the Companies Act, 2013.

Company has adopted Tata Motors Group's 'One Control Framework' and controls testing for the TML Group entities is performed by Group Control Tower (GCT). The Group uses a tool (called 'Highbond') for documenting risk and controls and even for testing of controls.

Based on results of assessment of the design and operating effectiveness of the controls, Company has determined that Company's Internal Financial Controls were adequate and effective during the financial reporting as of March 31, 2021.

27. 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 2020-21, the Company has consciously re-aligned assets and 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.

28. 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 though 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.

29. 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, 2021, the Board comprised of Six (6) Directors viz. Mr. Nasser Munjee- Chairman; Mrs. Vedika Bhandarkar, Independent Director; Mr. P. S. Jayakumar, Independent Director; Mr. P. B. Balaji and Mr. Shyam Mani, Non-Executive Directors and Mr. Samrat Gupta, Managing Director & CEO.
- Ms. Varsha Purandare has been appointed as an Independent, Additional Director w.e.f June 16, 2021 subject to confirmation of Shareholders at the ensuing Annual General Meeting of the Company.
- During FY 2020-21, Twelve (12) meetings of the Board of Directors were held on April 11, 2020, May 09, 2020, May 25, 2020, May 29, 2020, June 17, 2020, July 23, 2020, August 07, 2020, September 21, 2020, October 20, 2020, January 08, 2021, January 20, 2021 and March 01, 2021.

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 September 21, 2020
		Held	Attended	
Mr. Nasser Munjee	Chairman & Independent Director	12	12	Yes
Mrs. Vedika Bhandarkar	Independent Director	12	12	Yes
Mr. P. S. Jayakumar[i]	Independent Director	12	7	Yes
Mr. P. B. Balaji	Non- Executive Director	12	11	Yes
Mr. Shyam Mani	Non- Executive Director	12	12	Yes
Mr. Mayank Pareek[ii]	Non- Executive Director	12	1	No
Mr. Girish Wagh[iii]	Non- Executive Director	12	4	No
Mr. Samrat Gupta[iv]	Managing Director & CEO	12	7	Yes

i. Appointed w.e.f. July 10, 2020.

ii. Resigned w.e.f. June 25, 2020.

iii. Resigned w.e.f. June 23, 2020.

iv. Appointed w.e.f. June 17, 2020.

The Company has paid Sitting Fees and Commission to Independent Directors, for attending meetings of the Board and the Committees of the Board during FY 2020-21. 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 2020-21	Commission paid during FY 2020-21*
Mr. Nasser Munjee	7,50,000/-	30,00,000/-
Mrs. Vedika Bhandarkar	13,70,000/-	-
Mr. Hoshang Sinor	-	30,00,000/-
Mr. Phillie Karkaria	-	30,00,000/-
Mr. P. S. Jayakumar	9,30,000/-	-
Mr. Mayank Pareek	-	-
Mr. Shyam Mani	-	-
Mr. P.B. Balaji	-	-
Mr. Girish Wagh	-	-
Mr. Samrat Gupta	-	-

Notes

“Mr. Hoshang Sinor had retired from the Board of Directors with effect from December06,2019.

Mr. Phillie Karkaria had retired from the Board of Directors with effect from April 02,2020.

The above paid commission to Mrs. Vedika Bhandarkar, Mr. Hoshang Sinor and Mr. Phillie Karkaria was accrued for the F.Y.2019-20 but paid in the F.Y. 2020-21.

*The Board has declared commission of ₹ 40 lacs to be paid to each Independent Director for the financial year ended March 31, 2021 at its meeting held on April 30, 2021, which was subsequently paid during FY 2021-22.

- 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 various 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, Stakeholders Relationship Committee and Information Technology (IT) Strategy Committee.

The Company Secretary is the Secretary of all the 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

During the year under review, the Audit Committee comprises of two (2) Independent Directors viz. Mrs. Vedika Bhandarkar (Chairperson) and Mr. P. S. Jayakumar and one Non-Executive Director, Mr. P. B. Balaji.

Mr. P. D. Karkaria whose term as an Independent Director of the Company ended on March 31, 2020 ceased to be an Independent Director of the Company and Member of Audit Committee w.e.f. April 01, 2020.

Mr. P. S. Jayakumar has been appointed as an Independent Director w.e.f. July 10, 2020 and as a member of Audit Committee. Therefore, there were three (3) directors in this Committee namely Mrs. Vedika Bhandarkar (Chairperson), Mr. P. S. Jayakumar and Mr. P. B. Balaji till March 31, 2021.

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, Seven (7) meetings were held on April 09, 2020, May 29, 2020, July 23, 2020, October 14, 2020, October 20, 2020, January 20, 2021 and March 01, 2021, The composition of the Audit committee and the attendance of its members at its meetings held during FY 2020-21 is given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mrs. Vedika Bhandarkar	Independent Director	7	7
Mr. P. S. Jayakumar*	Independent Director	7	5
Mr. P. B. Balaji	Non-Executive Director	7	7

* Appointed w.e.f. July 10, 2020.

The Board has accepted all the recommendations made by the Audit Committee during the year. The invitees for Audit Committee meetings are Managing Director & CEO, 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.

As of March 31, 2021, the Nomination and Remuneration Committee comprises Four (4) directors namely Mrs. Vedika Bhandarkar (Chairperson) & Mr. Nasser Munjee Independent Directors and Mr. P. B. Balaji & Mr. Shyam Mani, Non-Executive Directors.

During FY 2020–21, Three (3) meetings of the NRC were held on June 03, 2020, November 13, 2020 and March 02, 2021. The composition of the NRC and the attendance of its members at its meetings held during FY 2020-21 are given below:

Name of the member	Category	No. of meetings	
		Held	Attended
*Mrs. Vedika Bhandarkar	Independent Director	3	2
Mr. Nasser Munjee	Independent Director	3	3
Mr. P.B. Balaji	Non-Executive Director	3	3
*Mr. Shyam Mani	Non-Executive Director	3	2

* Appointed w.e.f. June 17, 2020.

iii) Risk Management Committee (RMC)

The 'Risk Management Committee' of Directors manages the integrated risks of the Company. As of March 31, 2021, Risk Management Committee comprises of Five (5) Directors namely Mr. P. S. Jayakumar (Chairman), Mrs. Vedika Bhandarkar, Mr. P. B. Balaji, Mr. Shyam Mani and Mr. Samrat Gupta.

During, FY 2020-21, Four (4) meetings of the RMC were held on June 26, 2020, September 18, 2020, December 24, 2020 and March 16, 2021. The composition of the RMC and the attendance of its members at its meetings held during FY 2020-21 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. P. S. Jayakumar*	Independent Director	4	3

Mrs. Vedika Bhandarkar	Independent Director	4	4
Mr. P. B. Balaji	Independent Director	4	4
Mr. Shyam Mani	Non-Executive Director	4	4
Mr. Samrat Gupta#	Managing Director & CEO	4	4

*Appointed w.e.f July 10, 2020.

#Appointed w.e.f. June 17, 2020.

iv) Asset Liability Supervisory Committee (ALCO)

The 'Asset Liability Supervisory Committee' of Directors oversees the implementation of the Asset Liability Management system and 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.

As of March 31, 2021, Asset-Liability Supervisory Committee comprises of Six (6) Members namely Mr. P. S. Jayakumar (Chairman), Mrs. Vedika Bhandarkar, Mr. P. B. Balaji, Mr. Shyam Mani, Mr. Samrat Gupta (Managing Director & CEO) and Ms. Ridhi Gangar, (Group CFO).

During FY 2020-21, Four (4) meetings of the ALCO were held on June 26, 2020, September 18, 2020; December 24, 2020 and March 16, 2021. The composition of the ALCO and the attendance of its members at its meetings held during FY 2020-21 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
*Mr. P. S. Jayakumar	Independent Director	4	3
Mrs. Vedika Bhandarkar	Independent Director	4	4
Mr. Shyam Mani	Non- Executive Director	4	4
Mr. P. B. Balaji	Non- Executive Director	4	4
Mr. Samrat Gupta	Managing Director & CEO	4	4
**Mr. Anand Bang	Group Chief Financial Officer	4	1
#Ms. Ridhi Gangar	Group Chief Financial Officer	4	3

*Appointed w.e.f July 10, 2020.

**Ceased to be member w.e.f. August 1, 2020.

#Appointed w.e.f. August 1, 2020.

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.

As on March 31, 2021, the Corporate Social Responsibility (CSR) Committee of the Board consist of Four (4) Directors namely Mrs. Vedika Bhandarkar-Chairperson, Mr. Nasser Munjee, Mr. Shyam Mani and Mr. Samrat Gupta.

During FY 2020-21, One (1) meeting of the CSR Committee was held on February 04, 2021. The composition of the CSR Committee and the attendance of its members at its meeting held during FY 2020-21 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mrs. Vedika Bhandarkar	Independent Director	1	1
Mr. Nasser Munjee	Independent Director	1	1
Mr. Shyam Mani	Non- Executive Director	1	1
Mr. Samrat Gupta	Managing Director & CEO	1	1

vi) Stakeholders Relationship Committee (SRC)

The Company has constituted Stakeholders' Relationship Committee to consider and resolve the grievances of security holders of the Company.

As on March 31, 2021, Stakeholders' Relationship Committee (SRC) consist of Three (3) members namely Mr. P. S. Jayakumar (Chairman), Mr. Shyam Mani and Mr. Samrat Gupta.

During FY 2020-21, Two (2) meetings of the SRC were held on December 24, 2020 and March 16, 2021. The composition of the SRC and the attendance of its members at its meetings held during FY 2020-21 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. P. S. Jayakumar	Independent Director	2	2
Mr. Shyam Mani	Non-Executive Director	2	2
Mr. Samrat Gupta	Managing Director & CEO	2	2

vii) Information Technology (IT) Strategy Committee (ITSC)

Information Technology (IT) Strategy Committee (ITSC) was formed as per the provisions of RBI Master Direction RBI/DNBS/2016-17/53 DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017 pertaining to Information Technology Framework for the NBFC Sector. The terms of reference of this Committee are in line with the regulatory requirements. The roles and responsibilities of IT Strategy Committee include:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls
- Ensuring compliance to Outsourcing guidelines

As on March 31, 2021, IT Strategy Committee (ITSC) consist of Six (6) members namely Mrs. Vedika Bhandarkar (Chairperson), P. S. Jayakumar, Mr. P. B. Balaji, Mr. Samrat Gupta, Ms. Ridhi Gangar (CFO) and Mr. Ramesh Chandra (CIO).

During FY 2020-21, Two (2) meetings of the ITSC were held on September 18, 2020 and January 08, 2021. The composition of the ITSC and the attendance of its members at its meetings held during FY 2020-21 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mrs. Vedika Bhandarkar	Independent Director	2	2
Mr. P. S. Jayakumar	Independent Director	2	2
Mr. P. B. Balaji	Non-Executive Director	2	2
Mr. Samrat Gupta	Managing Director & CEO	2	2
Ms. Ridhi Gangar	Chief Financial Officer	2	2
Mr. Ramesh Chandra	Chief Information Officer	2	2

*Mr.Samrat Gupta, Ms.Ridhi Gangar and Mr. Ramesh Chandra are the Permanent invitees of IT Strategy Committee.

c. Other Governance information

- The half-yearly Financial Results of the Company are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited 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 Consultants Private Limited ("TSR") as the Registrar and Transfer Agents ("RTA") for the privately placed debentures issued by the Company.
- The Company had also issued Commercial Papers (CP) which are listed with NSE pursuant to SEBI Circular:SEBI/HO/DHS/DDHS/CIR/P/2019/115 dated October 22, 2019.
- The investor section on the Company's website keeps the investor updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, etc. The debenture holders/ CCPS holders can also send their queries/complaints at the designated e-mail address: **vinay.lavannis@tmf.co.in**
- The Company is in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- Pursuant to the provisions of Section 124 of the Companies Act, 2013, the unclaimed amount on NCDs needs to be transferred to the Investor Education and Protection Fund ("IEPF") after completion of seven years

from the date it becomes due for payment. Accordingly, during the year ended March 31, 2021, the unclaimed amount of the matured debentures amounting to Rs. 3,28,000/- was transferred to the IEPF on December 24, 2020.

Pursuant to Section 125 of the Act, any person whose unclaimed amount has been transferred to the IEPF, can claim their refunds by making an application to the IEPF authority as provided under the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016.The debenture holders are requested to claim their unclaimed amount on NCDs which has not been transferred to IEPF Account by contacting the Company.

Mr. Vinay Lavannis Company Secretary has been appointed as the Nodal Officer, for and on behalf of the Company for the purpose of verification of claims and co-ordination with IEPF Authority, under IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. The Contact details of Persons handling Investor Grievance are available on the website of the Company at www.tmf.co.in under Investor Zone tab.

30. 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. The Whistle Blower Policy of the Company is placed on the website of the company i.e. www.tmf.co.in.

31. 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 has not received any complaint 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.

32. AUDITORS

The shareholders at the Annual General Meeting of the Company held on July 26, 2017 had appointed Messrs. B S R & 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) has been omitted by the Companies (Amendment) Act, 2017, therefore, M/s B S R & Co. Chartered Accountants will continue to be the Statutory Auditors of the Company till the conclusion of AGM for FY 2021-22.

33. 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 2020-21.

34. SECRETARIAL AUDITORS

The Board of Directors at their meeting held on May 29, 2020 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 for the F.Y. 2020-21. The 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, 2021 is enclosed as an Annexure "4" to this Report.

The Board of Directors has appointed M/S S. G & Associates, Company Secretaries as Secretarial Auditor for FY 2021-22 at its meeting held on May 11, 2021.

35. 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, 2021 and July 20, 2021, being the date of adoption of Board Report

36. 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.

37. 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, 2021 is enclosed as an Annexure "2" to this Report. The CSR policy of the Company is available on the Company's website : www.tmf.co.in/investor-zone.

38. PARTICULARS OF EMPLOYEES

A Statement giving the details required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2021, is enclosed as Annexure '3"

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, 2021 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 only through electronic mode to all the Members whose e-mail addresses are registered with the Company. The members interested in obtaining information under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 may write to the Company Secretary at e-mail id - vinay.lavannis@tmf.co.in

39. 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 2020-21. 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.

40. JOURNEY TOWARDS BUSINESS EXCELLENCE

TMF now has well entrenched its own Business Excellence Program (TBEP) customized to its needs and is code named as “Pinnacle” . It is reviewed and improved every year post TBEM assessment . The Pinnacle program is built on five foundational pillars –

- Documented Processes
- Uniform Deployment
- Stakeholder Centricity
- Performance reviews & Improvement
- Organizational Alignment

In the year under review multiple initiatives to address all above were executed by cross section of organization as per plan . The Enterprise Process Manual & Branch Process Manual was reviewed , updated & implemented across Head Office and all locations . Strategy Map was reviewed and appropriately updated , Balance Score Card was aligned with strategy map and updated for the year with aligned measures. This BSC which operationalises the strategy map was reviewed on monthly basis ; Suitable business course corrections were made which enabled the TMF to maintain the lead in marketplace.

To ascertain the feedback of all our stakeholders to identify further improvement areas multiple Stakeholder Surveys were undertaken including Customer , Dealer & DSAs and employees. To improve internal efficiencies further we had ten key support functions , conducting internal customer satisfaction surveys among their internal user team who utilise their services during normal business operations. The external Satisfaction Surveys were very positive with satisfaction index being 85% + across all Customers , dealers and DSAs. The employee engagement score was unbelievable 91% indicating high robust HR culture within the organization.

Regular Performance reviews enabled the functions to identify improvement opportunities which were acted upon diligently and promptly by the functional heads . This helped improve business operations further. Additionally, TMF formally adopted Continuous Improvement program where in 25 projects were identified for improvement and are being taken forward systematically by the respective Cross Functional teams. TMF thus has set the foundation for new improvement culture wherein employees are trained in improvement tools and how to identify improvement opportunities . We have engaged Tata Business Excellence group to guide these teams and train them formally in improvement tools TMF also identified multiple processes for simplification and automation thereby having leaner and swifter process operations.

TMF put in place formal communication framework and practice of inter departmental SLAs which were reviewed on monthly basis to identify gaps if any.

All initiatives put in place last year continued this year thereby deepening process centric culture across the organization. BE Champions across all functions are actively engaged with embedding excellence culture within their function thereby making it gradually DNA of the organization.

TMF has laid foundation of identifying benchmarks for process related areas and compare the TMF performance with appropriate benchmarks. This is being taken forward as formal Benchmark process for both financial & non-financial areas. Safety Process was enhanced in the year under review and Safety Performance Dashboard has been set in place . Safety Council has been constituted consisting of senior leadership team and it reviews the safety process implementation as well as safety performance dashboard. Regional innovation even was held in the year under review where 24 bright ideas have been identified thru qualifying regional Innovista events held across 8 regions . The Grand Finale for this Innovation Program is scheduled at Head office in May 21 . TMF discharges its responsibility towards clean environment by reviewing the carbon foot print on annual basis . In the current year under review carbon foot print declined to 1.40 Mt / employee which is 14% lower than last year . TMF has maintained admirable declining trend of Carbon Foot Print from 2,7 MT / employee to 1.40 MT/ Employee over last seven years.

Two-day Business Excellence workshop was conducted for entire senior management teams who were taken thru concepts of TBEM and business excellence framework.

TMF BE department was assigned responsibility of one of the most important attributes of sustainable excellence organization – having Business Continuity plan in place. This involved starting from basics – having BCP policy itself. BE Function engaged with 16 identified critical functions were identified engaged with all of them to review business continuity risks and their mitigation plans. Accordingly, BIAs were updated, and Functional Recovery plans were modified as appropriate . They have been duly audited too and found to be in order and in alignment with BCP policy and RBI Master directions. The success of BCP plan is evident from the fact that TMF has adopted Work from home policy and all BCP processes have been found to deliver 100% result with all functional teams reporting perfect outcomes and there has been no adverse business impact at all.

The TBEM application was prepared and submitted in Jul 2020 and external assessment exercise was undertaken in Nov / Dec 20 over digital platforms . There were 61 focussed discussions of senior TBEM assessors with various teams in Head office and across the country. The assessors reviewed each process and associated result in detail and concluded that TMF has improved significantly since last assessment and were impressed with passion and energy across the organization and acknowledged the deep-rooted process centric improve oriented culture. TMF performance was found to be very impressive, and assessors accorded score of 551 which meant TMF secured band change over last assessment, and this has been record performance by TMF having secured two TBEM recognitions in two consecutive assessments. This year TMF was recognised as Emerging Industry Leader and would receive the Trophy at hands of Group Chairman on 29th Jul 2021 during JRD QV function scheduled to be held in Mumbai.

41. 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

NASSER MUNJEE
Chairman
(DIN: 00010180)
Date : July 20, 2021

Annexure "1"

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2021

[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**

iv) Category / Sub-Category of the Company: PUBLIC LIMITED COMPANY (NBFC)

v) Address of the Registered office and contact details: 14, 4TH Floor, Sir H.C. Dinshaw Building 16, Horniman Circle, Fort, Mumbai-400001

vi) Whether listed company Yes / No: Yes, Non-Convertible Debentures (NCDs) and Commercial Papers issued by the Company is listed on National Stock Exchange of India Ltd. and BSE Ltd.

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: TSR Darashaw Consultants Private Limited.

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083
Website: www.tcplindia.co.in, Tel: +91 22 6656 8484, Fax: +91 22 6656 8494.
e-mail: : PSampat@tsrdarashaw.com

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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	NBFC- Investment and Credit 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 (TMFHL)	U65923MH2006PLC162503	HOLDING	97	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 – TMFHL & TMFSL	6,08,27,689	-	6,08,27,689	100	6,08,27,689	-	6,08,27,689	100	-
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) (2):-	6,08,27,689	-	6,08,27,689	100	6,08,27,689	-	6,08,27,689	100	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)									

*TMFHL - TMF Holdings Limited and TMFSL - Tata Motors Finance Solutions Limited

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) FIIs	-	-	-	-	-	-	-	-	-
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)	6,08,27,689	-	6,08,27,689	**100**	6,08,27,689	-	6,08,27,689	**100**	-

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	5,90,05,666	97	NIL	5,90,05,666	97	NIL	NIL
2	TMF Holdings Limited jointly with Shyam Mani	1	--	NIL	1	--	NIL	NIL
3	TMF Holdings Limited jointly with Rohit Sarda	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 Limited jointly with Alok Chadha	1	--	NIL	1	--	NIL	NIL
9	Tata Motors Finance Solutions Limited	18,22,016	3	NIL	18,22,016	3	NIL	NIL

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

Sl. No.		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	6,08,27,689	100%	6,08,27,689	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):	NIL	NIL	NIL	NIL
	At the End of the year			**6,08,27,689**	**100%**

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

Sl. No.	For Each of the Top 10 Shareholders	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	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.	For Each of the Directors and KMP	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	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, Managing Director and Chief Executive Officer, Mr. Anand Bang, Chief Operating Officer- Sales & Marketing, Mr. Rohit Sarda- Chief Credit Officer and Mr. Vinay Lavannis, Company Secretary are holding 1(one) Equity Share each jointly with TMF Holdings Limited as nominee of TMF Holdings Limited.

V. INDEBTEDNESS

Indebtedness of the Company as at March 31, 2021:

	Indebtedness of the Company				Amount in Lakh
	PARTICULARS	SECURED LOANS EXCL DEPOSITS	UNSECURED LOANS	OTHERS	TOTAL INDEBTEDNESS
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	1,550,962.06	763,176.33	437,767.95	**2,751,906.34**
ii)	Interest due but not paid	0	0	0	**0**
iii)	Interest accrued but not due	3,765.81	11,263.95	1,904.33	16,934.09
	Total (i+ii+iii)	**1,554,727.87**	**774,440.28**	**439,678.28**	**2,768,840.42**
	Change in Indebtedness during the year				
	· Additions	1,388,354.47	2,042,047.14	73,459.49	**3,503,861.10**
	· Reductions	980,619.06	1,959,327.82	198,397.74	**-3,138,344.63**
	Net Change	**407,735.41**	**82,719.32**	**124,938.26**	**365,516.47**
	Indebtedness at the end of the financial year				
i)	Principal Amount	1,946,824.32	848,634,92	313,412,57	**3,108,871.81**
ii)	Interest due but not paid	0	0	0	**0**
iii)	Interest accrued but not due	15,638.95	8,524.68	1,321.45	**25,485.09**
	Total (i + ii + iii)	**1,962,463.27**	**857,159.60**	**314,734.02**	**3,134,356.90**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Managing Director, Whole-time Directors and/or Manager			Total Amount
		Mr. Samrat Gupta, Managing Director & CEO	NA	NA	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,19,64,973	Nil	Nil	3,19,64,973
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,45,216	Nil	Nil	4,45,216
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify…	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	3,24,10,189	Nil	Nil	3,24,10,189
	Ceiling as per the Act	Nil	Nil	Nil	Nil

The above remuneration has been paid to Mr. Samrat Gupta, Managing Director and CEO within the statutory provision of Companies Act, 2013.

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: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Nasser Munjee, Independent Director	Mrs. Vedika Bhandarkar, Independent Director	*Mr. P.S. Jayakumar, Independent Director	**Mr. Hoshang Sinor, Independent Director	#Mr. Phillie Karkaria, Independent Director	Mr Girish Wagh, Non Executive Director	Mr Mayank Pareek, Non-Executive Director	
	1. Independent Directors ➢ Fee for attending board / committee meetings ➢ Commission ➢ Others, please specify	7,50,000 30,00,000 -	13,70,000 - -	9,30,000 - -	- 30,00,000 -	- 30,00,000 -	- - -	- - -	**30,50,000** 90,00,000 -
	Total (1)	**37,50,000**	**13,70,000**	**9,30,000**	**30,00,000**	**30,00,000**			**1,20,50,000**
	2. Other Non-Executive Directors ➢ Fee for attending board / committee meetings ➢ Commission ➢ Others, please specify	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
	Total (2)	-	-	-	-	-			-
	Total (B)=(1+2)	**37,50,000**	**13,70,000**	**9,30,000**	**30,00,000**	**30,00,000**			**1,20,50,000**
	Total Managerial Remuneration	-	-	-	-	-			-
	Overall Ceiling as per the Act	-		-	-	-	-	-	**Rs. 100000 per meeting**

Notes:

a. *Mr. P. S. Jayakumar has been appointed as an Independent Director with effect from July 10, 2020.

b. **Mr. Hoshang Sinor had retired from the Board of Directors with effect from December 06, 2019.

c. #Mr. Phillie Karkaria had retired from the Board of Directors with effect from April 01, 2020.

d. Mr. Girish Wagh and Mr. Mayank Pareek, Non-Executive Directors of the Company have resigned w.e.f June 23, 2020 and June 25, 2020 respectively

e. The above commission has accrued for the F.Y. 2019-20 but paid in the F.Y. 2020-21.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO Ms. Ridhi Gangar	Company Secretary- Vinay Lavannis	Total
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	 68,82,112 21,600	 62,09,777 4,42,567	 **1,30,91,889** **4,64,167**
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
	Total	**69,03,712**	**66,52,344**	**1,35,56,056**

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. Remuneration paid to Mr. Samrat Gupta, Managing Director and CEO has already been covered in point VI. A

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees 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	-	-	-	-	-

On behalf of the Board of Directors of
TATA MOTORS FINANCE LIMITED

NASSER MUNJEE
Chairman
(DIN: 00010180)
Date : July 20, 2021

[Annexure -2]

Format For The Annual Report on CSR Activities to be Included in the Board's Report For Financial Year Commencing on or After 1st Day of April, 2020

1. Brief outline on CSR Policy of the Company.

Our flagship Girl Child project was introduced in FY 2015 in Bhandara, Maharashtra to bring about sustainable development in the lives of adolescent girls. We spread our Uddan wings to 2 more locations subsequently namely Joynagar, West Bengal and Kurnool, Andhra Pradesh. Approximately, cohort 8500+ adolescent girls were getting covered in this project. As per the project CSR Philosophy on Nation Building, we are concluding Project Uddan in a sustainable manner and working towards a new project on building Financial Acumen in Trucking Community. We are currently in the Need assessment phase in select locations for understanding the community needs in a structured way based on assessment.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Vedika Bhandarkar	Chairperson, Independent Director	1	1
2	Mr. Nasser Munjee	Independent Director	1	1
3	Mr. Shyam Mani	Non-Executive Director	1	1
4	Mr. Samrat Gupta	Managing Director & CEO	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

www.tmf.co.in

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not applicable. for FY 20-21.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
	Total		

6. **Average net profit of the company as per section 135(5).**

₹ 5,308.08 lacs

7. **(a) Two percent of average net profit of the company as per section 135(5)**

₹ 106.16 lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil.

(c) Amount required to be set off for the financial year, if any – Not applicable

(d) Total CSR obligation for the financial year (7a+7b-7c). – ₹ 106.16 lacs

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
164.05 lacs	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Rs. in Lacs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Proje-ct	Item from the list of activities in Sched-ule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project durati-on	Amount allocate d for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferr ed to Unspent CSR Account for the project as per Section 135(6)	Mode of Imple menta tion - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				Sta-te	Distr-ict						Name	CSR Registr-ation number
1.	Project Uddan	VII (ii)	No as registere d office is in Mumbai	Maharashtra, Bhandara		5 years	29.22	26.68*	Nil	No	Magic Bus India Found-ation	CSR000 01330
2.	Project Uddan	VII (ii)	No as registere d office is in Mumbai	West Bengal, 24 Parganas South- Joynagar		5 years	70.57	70.57	Nil	No	Magic Bus India Found-ation	CSR000 01330
3.	Project Uddan	VII (ii)	No as registere d office is in Mumbai	Andhra Pradesh, Kurnool		5 years	66.80	66.80	Nil	No	Magic Bus India Found-ation	CSR000 01330
	Total						166.59	164.05*				

*Bhandara Expense of ₹ 26.68 lacs is included in total CSR spent of ₹ 164.05 lacs which is over and above the mandated spent of ₹ 106.106.16 lacs. ₹ 7.65 lacs has been adjusted against the underspent of last FY 19-20.

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	Total								

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 164.05 lacs

(g) Excess amount for set off, if any :

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 106.16 lacs
(ii)	Total amount spent for the Financial Year	₹ 164.05 lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 57.89 lacs#
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 57.89 lacs#

#Bhandara Expense of ₹ 26.68 lacs is included in total CSR spent of ₹ 164.05 lacs which is over and above the mandated spent of ₹ 106.16 lacs. ₹ 7.65 lacs has been adjusted against the underspent of last FY 19-20. Amount paid to magic bus during FY 20-21 was ₹ 156.4 lacs, therefore ₹ 57.89 lacs i.e., (₹.156.4 lacs- ₹ 106.16 lacs) is available for set off for three years commencing from FY 21-22.

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Rs. In lacs

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year.	Status of the project - Completed /Ongoing.
1	FY 18-19	Project Uddan	2015 onwards	5 yrs	314.9	236.8	236.8	Bhandara – completed : 31st March 2021 Joynagar & Kurnool ongoing
2	FY 19-20	Project Uddan	2015 onwards	5 yrs	290	278.6	278.6	Bhandara – completed : 31st March 2021 Joynagar & Kurnool ongoing
3	FY 20-21	Project Uddan	2015 onwards	5 yrs	166.59	164.05	164.05	Bhandara – completed : 31st March 2021 Joynagar & Kurnool ongoing
	Total				771.49	679.45	679.45	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

On behalf of the Board of Directors of
TATA MOTORS FINANCE LIMITED

NASSER MUNJEE	**VEDIKA BHANDARKAR**
Chairman	**Chairperson CSR Committee**
(DIN: 00010180)	**(DIN:00033808)**
Date : July 20, 2021	

Annexure-3

Details of Remuneration of Directors, KMPs and Employees and comparatives [Pursuant to Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company

Sr. No.	Name of Directors	Designation	Remuneration F.Y. 2020-21 (Amount in Rs.)	Ratio of Remuneration to median remuneration
1	Mr. Nasser Munjee	Independent Director and Chairman	37,50,000	11.94:1
2	Mrs. Vedika Bhandarkar	Independent Director	13,70,000	4.36:1
3	Mr. P.S. Jayakumar#	Independent Director	9,30,000	2.96:1
4	Mr. Hoshang Sinor***	Independent Director	30,00,000	9.56:1
5	Mr. Phillie Karkaria***	Independent Director	30,00,000	9.56:1
6	Mr. P. B. Balaji	Non-Executive Director	-	-
7	Mr. Shyam Mani	Non-Executive Director	-	-
8	Mr. Girish Wagh*	Non-Executive Director	-	-
9	Mr. Mayank Pareek*	Non-Executive Director	-	-
10	Mr. Samrat Gupta##	Managing Director & CEO	3,24,10,189	103.23:1

Notes:

a) ***Mr. Girish Wagh and Mr. Mayank Pareek, Non-Executive Directors ceased as director of the Company w.e.f. June 23, 2020 and June 25, 2020 respectively.

b) **#**Mr. P.S. Jayakumar has been appointed as an Independent Director of the Company w.e.f. July 10, 2020

c) **##**Mr. Samrat Gupta, existing Chief Executive Officer (CEO) has been appointed as Managing Director & Chief Executive Officer of Tata Motors Finance Ltd. w.e.f. June 17, 2020.

d) *****Mr. Phillie Karkaria had retired from the Board of Directors with effect from April 01, 2020 and Mr. Hoshang Sinor had retired from the Board of Directors with effect from December 06, 2019.

e) The remuneration of above Independent Directors includes Sitting fees and commission paid to them in F.Y. 2020-21. The said commission has accrued for the F.Y. 2019-20 but paid in the F.Y. 2020-21

f) The Median Remuneration for the employees in TMFL for the F.Y. 2020-21 was ₹ 3,13,968 /-

g) No remuneration/ sitting fees was paid to Non-Executive Directors of the Company during the F.Y. 2020-21. Hence, the Ratio of Remuneration to median remuneration for the above Non-Executive Directors could not be computed.

2. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company

(Amount in Rs.)

Sr. No.	Name of Directors and Key Managerial Personnel	Designation	Remuneration in F.Y. 2020-2021	Remuneration in F.Y. 2019-2020	% increase in remuneration
1	Mr. Nasser Munjee	Independent Director and Chairman	37,50,000	4,90,000	**665.31%**
2	Mrs. Vedika Bhandarkar	Independent Director	13,70,000	10,00,000	**37%**
3	Mr. P.S. Jayakumar	Independent Director	9,30,000	-	
4	Mr. P. B. Balaji	Non-Executive Director	-	-	-
5	Mr. Shyam Mani	Non-Executive Director	-	-	-
6	Mr. Samrat Gupta	Managing Director & CEO	3,24,10,189	4,39,03,170	**-26.18%**
7	Mr. Girish Wagh	Non-Executive Director	-	-	-
8	Mr. Mayank Pareek	Non-Executive Director	-	-	-
KEY MANAGERIAL PERSONNEL					
1	Ms. Ridhi Gangar (appointed w.e.f 01.08.2020)	Chief Financial Officer (CFO)	69,03,712	1,00,68,064	**-31.43%**
2	Mr. Vinay Lavannis	Company Secretary (CS)	66,52,344	66,63,255	**-0.16%**

Notes:

a) The remuneration of independent Directors includes Sitting fees and Commission paid to them in F.Y. 2020-21.

b) The remuneration of CEO, CFO and CS includes Performance pay, Quarterly Incentives, Housing Interest subsidy amount, Leave encashment etc. for the respective year.

c) No remuneration/ sitting fees was paid to Non-Executive Directors of the Company during the F.Y. 2020-21 and F.Y. 2019-20. Hence, the percentage increase / decrease in the remuneration for the above Non-Executive Directors has not been computed.

d) Mr P.S. Jayakumar, has been appointed as an independent Director of the Company w.e.f. July 10, 2020, Hence, comparative data for the percentage increase in his remuneration could not be computed.

3. The percentage increase in the median remuneration of employees in the financial year 2020-21;

(Amount in Rs.)

	F.Y. 2020-21	F.Y. 2019-20	Increase / Decrease (%)
Median remuneration of employees per annum	3,13,968	3,41,606	-8.09%

4. **The number of permanent employees on the rolls of company;**

The total no. of employees on the rolls of Tata Motors Finance Limited as on March 31, 2021 were 2786 & Annual Employee count were 3419.

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

(Amount in Rs.)

	F.Y. 2020-21	F.Y. 2019-20	Increase/ Decrease (%)
Average salary of all employees (other than Key Managerial Personnel)	6,19,491	6,96,181	-11.02%
Salary of Mr. Samrat Gupta, MD & CEO	3,24,10,189	4,39,03,170	-26.18%
Salary of Ms. Ridhi Gangar, CFO	69,03,712	1,00,68,064	-31.43%
Salary of Mr. Vinay Lavannis, CS	66,52,344	66,63,255	-0.16%

The remuneration of CEO, CFO and CS includes Performance pay, Quarterly Incentives, Housing Interest subsidy amount, Leave encashment etc. for the respective year.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company**

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Nomination and Remuneration Policy of the Company.

7. The statement containing names of top 10 employees in terms of remuneration drawn and the particulars of employees as required u/s 197 (12) of the Companies Act 2013 read with Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for the inspection.

Any shareholder interested in obtaining a copy of the same may write to the Mr. Vinay Lavannis, Company Secretary at vinay.lavannis@tmf.co.in

For and on behalf of the Board of Directors

TATA MOTORS FINANCE LIMITED

NASSER MUNJEE

Chairman

(DIN: 00010180)

Date: July 20, 2021

Annexure "4"

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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),
14, 4th Floor, Sir H.C. Dinshaw Building,
16, Horniman Circle, Fort,
Mumbai-400 001.

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, 2021 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, 2021 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;

(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, Circulars etc. issued by RBI from time to time, applicable to NBFCs,

Additionally, a declaration on compliance of various statues duly signed by the Chief Executive officer, Chief Financial Officer and Chief Legal & Compliance 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,
(ii) Auditing Standards issued by The Institute of Company Secretaries of India and
(iii) 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 have occurred in the company:

i. The Company allotted 5,000 Secured, Redeemable, Listed, Non-Convertible Debentures of the face value of ₹ 10,00,000/- each aggregating to an amount of Rs.500,00,00,000/- (Rupees Five Hundred Crores Only) on May 15, 2020 on Private Placement basis.

ii. The Company allotted 5,000 Secured, Redeemable, Listed, Non-Convertible Debentures of the face value of ₹ 10,00,000/- each aggregating to an amount of ₹ 500,00,00,000/- (Rupees Five Hundred Crores Only) on May 21, 2020 on Private Placement basis

iii. The Company allotted 500 Secured, Redeemable, Listed, Non-Convertible Debentures of the face value of ₹ 10,00,000/- each aggregating to an amount of ₹ 50,00,00,000/- (Rupees Fifty Crores Only) on June 12, 2020 on Private Placement basis.

iv. The Company allotted 750 Secured, Redeemable, Listed, Non-Convertible Debentures of the face value of ₹ 10,00,000/- each aggregating to an amount of ₹ 75,00,00,000/- (Rupees Seventy-Five Crores Only) on June 25, 2020 on Private Placement basis

v. The Company allotted 500 Redeemable, Listed, Non-Convertible Debentures of the face value of ₹ 10,00,000/- each aggregating to an amount of ₹ 50,00,00,000/- (Rupees Fifty Crores Only) on July 7,2020 on Private Placement basis.

vi. The Company allotted 150 Perpetual, Subordinated, Listed, Unsecured, Rated Non-Convertible Debentures of face value of ₹ 10,00,000/- each aggregating to an amount of ₹ 15,00,00,000/- (Rupees Fifteen Crores Only) on July 14,2020.

vii. The Company allotted 430 Perpetual, Subordinated, Listed, Unsecured, Rated Non-Convertible Debentures of face value of ₹ 10,00,000/- each aggregating to an amount of ₹ 43,00,00,000/- (Rupees Forty Three Crores Only) on September 09,2020.

viii. The Company allotted 1000 Perpetual, Subordinated, Listed, Unsecured, Rated Non-Convertible Debentures of face value of ₹ 10,00,000/- each aggregating to an amount of ₹ 100,00,00,000/- (Rupees One Hundred Crores Only) on September 24,2020.

ix. The Company allotted 1000 Secured, Redeemable, Listed, Non-Convertible Debentures of face value of ₹ 10,00,000/- each aggregating to an amount of ₹ 100,00,00,000/- (Rupees One Hundred Crores Only) on September 30,2020.

x. The Company allotted 2800 Secured, Redeemable, Listed, Non-Convertible Debentures of face value of ₹ 10,00,000/- each aggregating to an amount of ₹ 280,00,00,000/- (Rupees Two Hundred Eighty Crores Only) on October 29,2020.

xi. The Company allotted 850 Perpetual, Subordinated, Listed Unsecured, Rated, Non-Convertible Debentures of face value of ₹ 10,00,000/- each aggregating to an amount of ₹ 85,00,00,000/- (Rupees Eighty-Five Crores Only) on Private Placement basis on November 11,2020

xii. The Company has allotted 1000 Perpetual, Subordinated, Listed, Unsecured, Rated, Non-Convertible Debentures of ₹ 10,00,000/- each aggregating to an amount of ₹ 100,00,00,000/- (Rupees One Hundred Crores Only) on December 03,2020 on Private Placement basis.

xiii. The Company has allotted 600 Perpetual, Subordinated, Listed, Unsecured, Rated, Non-Convertible Debentures of ₹ 10,00,000/- each aggregating to an amount of ₹.60,00,00,000/- (Rupees Sixty Crores Only) on December 21,2020 on Private Placement basis.

xiv. The Company has allotted 1000 Perpetual, Subordinated, Listed, Unsecured, Rated, Non-Convertible Debentures of ₹ 10,00,000/- each aggregating to an amount of ₹ 100,00,00,000/- (Rupees One Hundred Crores Only) on January 19,2021.

xv. The Company has allotted 2100 Perpetual, Subordinated, Listed, Unsecured, Rated, Perpetual Non-Convertible Debentures of ₹ 10,00,000/- each aggregating to an amount of ₹ 210,00,00,000/- (Rupees Two Hundred and Ten Crores Only) on March 02,2021.

For **V.N.DEODHAR & CO.**
COMPANY SECRETARIES

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

Place: Mumbai
Date: 30th April,2021

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.

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.**
COMPANY SECRETARIES

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

Place: Mumbai

Date: 30th April,2021

Independent Auditor's Report

To the Members of

Tata Motors Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Tata Motors Finance Limited (the " Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies, and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance inour audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Impairment of loans to customers Charge : INR 852,57.07 lakh for the year ended 31 March 2021, Provision : INR 1148,24.23 lakhs at 31 March 2021	
Refer to the accounting policies in "Note 3 (xv) (A) (III) to the Financial Statements: Impairment of financial assets", "Note 3(I) to the Financial Statements: Significant Accounting Policies- use of estimates and judgments" and "Note 8 to the Financial Statements: Loans"	

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Subjective estimate
Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (“ECL”) estimation model.The estimation of ECL on financial instrument. Involves significant judjements and estimates.The key areas where we identified greater levels of management judgement and therefore increase level of audit focus in the Company’s estimation of ELCs are:

Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.
Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in ECL and as a result are considered the most significant judgmental aspect of the Company’s modelling approach.
Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19.
Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 20.63 % of ECL balances as at 31 March 2021.These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainity as a result of COVID 19.

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Our key audit procedures included:
Design / controls
We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process.
Key aspects of our controls testing involved the following:

Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.
Testing the ‘Governance Framework’ controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance.
Testing the design and operating effectiveness of the key controls over the application of the staging criteria.
Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.
Testing management’s controls over authorisation and calculation of post model adjustments and management overlays.
Testing management’s controls on compliance with Ind AS 109 disclosures related to ECL.
Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations.

Involvement of specialists - we involved financial risk modelling specialists for the following:

Evaluating the appropriateness of the Company’s Ind AS 109 impairment methodologies and reasonableness of assumptions used (including management overlays).
For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.
The reasonableness of the Company’s considerations of the impact of current economic environment due to COVID 19 on ECL determination.

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The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. The extent to which the COVID-19 pandemic will impact the Company's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter. Disclosure The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Information Technology ("IT") systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. We have focused on user access management, changemanagement, interface controls and system application controls over key financial accounting and reporting systems.	**Test of details** Key aspects of our testing included: • Sample testing over key inputs, data and assumptionsimpacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 related overlays, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. • Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear. Our audit procedures to assess the IT system access management included the following: General IT controls / application controls and useraccess management • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access rights, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting systems, we independentlyperformed procedures to determine the operating effectiveness of application controls. For those controls that were changed during the year, we tested the change management process. • We evaluated the design, implementation and operating effectiveness of the significant accounts related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. • Other ares that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and that business users and developers did not have access to migrate changes in the production environment and the privileges access to

	applications, operations system or data base is restricted to authorized personnel. • For new system implemented during the audit period, we evaluated the programme development related controls to determine whether adequate controls have been established to ensure that new system implemented was authorized, tested, approved. Also, evaluated the SOCI Type2 report to determine the scope covered and controls associate with processes at Service Organization.

Other Information

The Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The other information is expected to be made available to us after the date of this auditor's report. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internalfinancial controls with reference to the Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Statements made by management and the Board of Directors.

- Conclude on the appropriateness of management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters thatwere of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequencesof doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 (the "Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the bestof our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and the Statement of Cashflows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2)of the Act.

f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its Financial Statements - Refer Note 32 to the Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Financial Statements since they do not pertain to the financial year ended 31 March 2021.

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

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

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

Sameer Mota
Partner
membership No.:109928
UDIN:21109928AAAAKU4558

Mumbai
30 April 2021

Annexure A to the Independent Auditor's report - 31 March 2021

(Referred to in 'Report on Other Legal and Regulatory Requirement' section of our report of even date)

We report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included under the head property, plant and equipment are held in the name of the Company.

ii. The Company is in the business of lending. The Company does not hold any physical inventories. Accordingly, clause 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there are no loans / guarantees or security provided in connection with any loan which have been given to directors or to any other person in whom the director is interested, accordingly, the provisions of Section 185 of the Act are not applicable to the Company. According to information and explanations given to us, the Company has complied with the applicable provisions of Section 186 of the Act in respect of loans, investments, guarantees, and securities granted.

v. The Company is a non-banking finance company and consequently is exempt from provision of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the services rendered by the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account and records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, value added tax, goods and service tax, cess and other material statutory dues have been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, duty of customs and duty of excise.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, value added tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date on when they become payable.

(c) According to the information and explanation given to us, following dues have not been deposited by the Company on account of dispute:

Name of the Statutes	Nature of dues	Forum where disputeis pending	Period to which it relates	Amount involved (INR in Lakhs)	Net of amount paid under protest* (INR inLakhs)
Andhra Pradesh Value Added Tax Act,2005	VAT	High Court of AndhraPradesh	F.Y 2007-08 to 2012-13	1,005.28	670.19
Andhra Pradesh Value Added Tax Act,2005	Penalty on VAT	High Court of AndhraPradesh	F.Y 2007-08 to 2012-13	1,005.28	1,005.28
Andhra Pradesh Value Added Tax Act,2005	VAT	High Court of AndhraPradesh	F.Y 2013-14 to 2016-17	2,213.49	1,475.66
Andhra Pradesh Value Added TaxAct,2005	Penalty on VAT	High Court of AndhraPradesh	F.Y 2013-14 to 2016-17	2,213.49	2,213.49
West BengalValue Added Tax Act, 2005	VAT	Supreme Court of India	FY 2007-08 and FY 2011-12	3,64.93	NIL
Madhya Pradesh ValueAdded Tax Act, 2006	Entry Tax	Appellate Authority,Bhopal	F.Y 2013-14	79.42	47.65
Rajasthan Value AddedTax Act, 2003	VAT	Assistant Commissioner, Rajasthan Commercial tax	F.Y. 2014-15	2.91	NIL
Rajasthan Value AddedTax Act, 2003	VAT	Assistant Commissioner, Rajasthan Commercial tax	F.Y. 2015-16	11.39	NIL
Assam ValueAdded Tax Act,2003	VAT	Assistant Commissioner, Superintendent Sales tax	F.Y. 2016-17	1.69	1.69
Goods and Service Tax Act, 2017	GST	Assistant Commissioner of State tax	F.Y. 2018-19	10.66	10.66
Goods and Service Tax Act, 2017	GST	Deputy Commissionerof State tax	F.Y. 2018-19	114.72	114.72
Goods and Service Tax Act, 2017	GST	Assistant Commissioner of State tax	F.Y. 2019-20	323.27	323.27

**The Company has deposited amount under protest.*

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks or dues to debenture holders during the year. During the year, Company did not have any loans or borrowings from government.

ix. According to information and explanations given to us and based on our examination of the records of the Company, the Company has applied money raised by way of the term loans during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, except for 10 cases aggregating ₹ 87.4 lakhs which largely pertains to cheating and forgery and misappropriation and criminal breach of trust, we have neither come across any instance of fraud by the Company or any material instance of fraud on the Company by its officers or employees, noticed or reported.

xi. According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. According to information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placementof shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

xv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

xvi. According to information and explanations given to us, the Company is registered underSection 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

Sameer Mota

Partner
Membership No. 109928
UDIN:21109928AAAAKU4558

Mumbai
30 April 2021

Annexure B to the Independent Auditor's report on the Financial Statements of Tata Motors Finance Limited for the year ended 31 March 2021

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

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' sectionof our report of even date)

Opinion

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to the Financial Statements

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

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

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

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

Sameer Mota

Partner
Membership No.: 109928
UDIN:21109928AAAAKU4558

Mumbai
30 April 2021

Balance Sheet as at March 31, 2021

(₹ In lakhs)

	Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I	**ASSETS**			
1	**Financial assets**			
(a)	Cash and cash equivalents	**4**	4266,10.87	1902,97.62
(b)	Bank Balance other than cash and cash equivalents	**5**	987,70.41	1287,38.68
(c)	Derivative financial instruments	**14**	26,35.94	79,40.77
(d)	Receivables			
	i. Trade receivables	**6**	60,56.04	187,88.70
	ii. Other receivables	**7**	31,33.12	59,66.31
(e)	Loans	**8**	30048,16.33	27357,32.70
(f)	Investments	**9**	242,32.84	139,73.35
(g)	Other financial assets	**10**	520,13.02	54,74.85
			36182,68.57	**31069,12.98**
2	**Non-financial assets**			
(a)	Current tax assets (net)		109,94.33	154,73.02
(b)	Deferred tax assets (net)	**11**	149,46.38	157,65.31
(c)	Property, plant and equipment	**12A**	235,83.16	211,32.51
(d)	Capital work-in-progress		-	69.70
(e)	Other intangible assets	**12B**	4,61.83	2,99.79
(f)	Other non-financial assets	**13**	132,86.45	144,18.01
			632,72.15	**671,58.34**
3.	**Non-current assets held for sale**		-	3,35.68
Total assets			**36815,40.72**	**31744,07.00**
II	**LIABILITIES AND EQUITY**			
1	**Financial liabilities**			
(a)	Derivative financial instruments	**14**	41,04.19	10,25.29
(b)	Payables	**15**		
	(i) Trade payables			
	- total outstanding dues of micro enterprises and small enterprises		-	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises		268,52.36	233,18.28
	(ii) Other payables			
	- total outstanding dues of micro enterprises and small enterprises		-	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises		47,65.24	21,85.66
(c)	Debt securities	**16**	8334,87.69	6629,22.94
(d)	Borrowings (Other than debt securities)	**17**	21098,90.94	18875,31.07
(e)	Subordinated liabilities	**18**	1654,93.19	2014,52.34
(f)	Other financials liabilities	**19**	725,18.36	461,45.38
			32171,11.97	**28245,80.96**
2	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		53.31	53.31
(b)	Provisions	**20**	80,87.52	76,75.66
(c)	Other non-financial liabilities	**21**	81,55.54	54,43.14
			162,96.37	**131,72.11**
3	**Equity**			
(a)	Equity share capital	**22A**	608,27.69	608,27.69
(b)	Instruments entirely equity in nature	**22B**	963,00.00	250,00.00
(c)	Other equity		2910,04.69	2508,26.24
			4481,32.38	**3366,53.93**
Total liabilities and equity			**36815,40.72**	**31744,07.00**

See accompanying notes forming part of the financial statements (1 to 49)

As per our report of even date attached

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

Sameer Mota
Partner
Membership No. 109928

Place :Mumbai
Date : April 30, 2021

For and on behalf of the Board of Directors

Vedika Bhandarkar
Director
(DIN - 00033808)

P. B. Balaji
Director
(DIN - 02762983)

Samrat Gupta
Managing Director and
Chief Executive Officer
(DIN - 07071479)

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary

Place :Mumbai
Date : April 30, 2021

Statement of Profit and Loss for the year ended March 31, 2021

(₹ In lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
(a) Interest income	23	3471,94.72	3333,35.00
(b) Dividend income		73.83	4,45.47
(c) Rental income		64,16.07	32,12.46
(d) Net gain on fair value changes	24	119,07.34	61,03.35
(e) Net gain on derecognition of financial instruments under amortized cost category		94,88.57	112,07.25
(f) Other fees and service charges		95,63.94	149,51.39
I Total Revenue from operations		**3846,44.47**	**3692,54.92**
II Other income	25	**177,88.87**	**159,28.03**
III Total income (I + II)		**4024,33.34**	**3851,82.95**
IV Expenses:			
(a) Finance cost	26	2244,82.82	2479,77.66
(b) Impairment of financial instruments and other assets	27	859,46.89	604,38.38
(c) Employee benefits expenses	28	266,68.06	247,96.89
(d) Depreciation and amortization	13A & 13B	58,54.56	45,63.21
(e) Other expenses	29	375,69.98	444,85.63
Total expenses		**3805,22.31**	**3822,61.77**
V Profit before exceptional items and tax (III - IV)		**219,11.03**	**29,21.18**
VI Exceptional items		-	-
VII Profit before tax (V - VI)		**219,11.03**	**29,21.18**
VIII Tax expense / (income)			
Current tax		-	-
Deferred tax		(30,56.60)	(29,94.73)
Total tax expense		**(30,56.60)**	**(29,94.73)**
IX Profit for the year from continuing operations (VII - VIII)		**249,67.63**	**59,15.91**
X Profit for the year		**249,67.63**	**59,15.91**
XI Other comprehensive income			
A i. Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit plans		(3,40.57)	2,16.11
b. Equity Instruments through Other Comprehensive Income		50,01.59	(17,27.01)
Subtotal (A)		**46,61.02**	**(15,10.90)**
B i. Items that will be reclassified to profit or loss			
a. Net Gains and (losses) in cash flow hedges		(2,65.13)	(43,88.13)
b. Debt instruments through other comprehensive income		206,90.45	136,23.53
ii. Income tax relating to items that will be reclassified to profit or loss		(38,75.54)	(47,60.60)
Subtotal (B)		**165,49.78**	**44,74.80**
Other Comprehensive Income (A + B)		**212,10.80**	**29,63.90**
XII Total comprehensive income for the year		**461,78.43**	**88,79.81**
XIII Earnings per share of ₹ 100 each (Refer note 30)			
Basic (in ₹.)		26.21	7.07
Diluted (in ₹.)		26.21	7.07

See accompanying notes forming part of the financial statements (1 to 49)

As per our report of even date attached

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

Sameer Mota
Partner
Membership No.109928

Place :Mumbai
Date : April 30, 2021

For and on behalf of the Board of Directors

Vedika Bhandarkar
Director
(DIN - 00033808)

P. B. Balaji
Director
(DIN - 02762983)

Samrat Gupta
Managing Director and
Chief Executive Officer
(DIN - 07071479)

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary

Place :Mumbai
Date : April 30, 2021

Cash Flow Statement for the year ended March 31, 2021

(₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit /(loss) before tax	**219,11.03**	**29,21.18**
Adjustments for:		
Interest income on loans, deposits & investments	(3471,94.72)	(3445,42.25)
Finance costs (other than interest expense on assets taken on lease)	2240,61.21	2475,17.07
Interest expense on assets taken on lease	4,21.61	4,60.59
Dividend income	(73.83)	(4,45.47)
Gain on sale of investments	(68,35.31)	(81,40.71)
MTM on investments measured at fair value through profit or loss	(50,72.03)	20,37.36
Allowance for loan losses (net of writeoff)	852,57.07	608,05.98
Allowance for doubtful loans and advances (others) (net of writeoff)	6,89.82	(3,67.60)
Depreciation and amortization	58,54.56	45,63.21
(Profit)/loss on sale of property, plant and equipments (incl. property, plant and equipments held for sale)	(17,05.08)	38.23
Balances written back	(20,55.08)	(33,00.15)
Fair value changes on derivative instruments	13,96.10	4,41.96
Non cash changes in lease liabilities	(1,05.42)	-
Operating cash flow before working capital changes	**(234,50.07)**	**(380,10.61)**
Movements in working capital		
Trade payables	55,89.16	44.09
Other payables	25,79.58	(20,86.12)
Other financial liabilities	182,97.16	188,66.66
Other non financial liabilities	35,61.40	(4,12.40)
Trade receivables	119,71.99	(154,35.53)
Other receivables	28,33.19	(50,75.51)
Other financial assets	(469,92.05)	(19,14.80)
Provision	71.29	(16,14.00)
Loans	(2414,21.86)	2741,00.82
Non financial assets	(36,58.69)	19,42.51
	(2706,18.91)	**2304,05.12**
Finance costs paid	(2304,00.78)	(2543,91.38)
Interest income received on loans, deposits and investments	2555,06.20	3384,80.36
Income taxes refund/(paid) (net)	44,78.70	(83,72.68)
Net cash (used in) / generated from operating activities	**(2410,34.79)**	**3061,21.42**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and intangible assets	(32,10.59)	(138,73.46)
Proceeds from sale of property, plant & equipments	3,18.22	4,51.47
Purchase of mutual fund units	(74423,94.55)	(104542,12.00)
Redemption of mutual fund units	74492,29.86	104623,52.71
Investments in equity shares	(1,81.28)	-
Investment in Trust securities	(4.58)	(20.87)
Proceeds from sale of assets held for sale (net of expenses)	10,86.16	-
Proceeds from redemption of debentures	-	99.98
Dividend income	73.83	4,45.47
Deposits/restricted deposits with banks	(696,59.05)	(436,97.32)
Realisation of deposits/restricted deposits with banks	996,27.31	127,41.74
Net cash generated from / (used in) investing activities	**348,85.33**	**(357,12.28)**

(₹ In lakhs)

C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (net of issue expenses)	-	149,85.00
Proceeds from Debt securities	20701,38.87	20737,41.49
Repayment of Debt securities	(18823,80.98)	(23440,04.19)
Proceeds from Subordinated liabilities	-	299,50.00
Repayment of Subordinated liabilities	(361,00.00)	(288,95.00)
Proceeds from borrowings (other than debt securities)	12159,27.51	16029,21.46
Repayment of borrowings (other than debt securities)	(9890,06.91)	(15132,74.69)
Interest payment on purchase of Right of use assets	(4,21.82)	(4,60.27)
Principal payment on purchase of Right of use assets	(9,94.03)	(12,67.33)
Proceeds from issue of Instruments entirely equity in nature (net of issue expenses)	700,25.01	245,35.71
Distributions made to holders of Instruments entirely equity in nature	(28,75.00)	-
Dividend paid (including Dividend distribution tax)	(18,49.99)	(84,22.87)
Net cash generated from/(used) in financing activities	**4424,62.66**	**(1501,90.69)**
Net increase in cash and cash equivalents (A + B + C)	**2363,13.26**	**1202,18.45**
Cash and cash equivalents at the beginning of the year	1902,97.62	700,79.17
Cash and cash equivalents at the end of the year (Refer Note 4)	4266,10.87	1902,97.62

See accompanying notes forming part of the financial statements (1 to 49)

Note :

1. Finance costs has been considered as arising from operating activities in view of the nature of the Company's business.
2. The Statement of Cash Flows has been presented using indirect method as per the requirements of Ind AS 7 Statement of Cash Flows.

As per our report of even date attached

For and on behalf of the Board of Directors

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

Sameer Mota
Partner
Membership No. 109928

Vedika Bhandarkar
Director
(DIN - 00033808)

P. B. Balaji
Director
(DIN - 02762983)

Place : Mumbai
Date: April 30,2021

Samrat Gupta
Managing Director and
Chief Executive Officer
(DIN - 07071479)

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary

Place: Mumbai
Date: April 30, 2021

Statement of changes in Equity for the year ended March 31, 2021

A. Equity share capital

(₹ In lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	60,827,689.00	608,27.69	58,384,693.00	583,84.69
Shares Issued during the year	-	-	2,442,996.00	24,43.00
Shares outstanding at the end of the year	60,827,689.00	608,27.69	60,827,689.00	608,27.69

B. Instrument entirely equity in nature

i. Perpetual Debt

(₹ In lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Rs.	Number	Rs.
Balance as at beginning of the year	2,500.00	250,00.00	-	-
Issued during the year	7,130.00	713,00.00	2,500.00	250,00.00
Balance as at end of the year	**9,630.00**	**963,00.00**	**2,500.00**	**250,00.00**

C. Other equity

(₹ In lakhs)

Particulars	Equity component of compound financial instrument (Refer Note 22C)	Other Reserves							Other components of equity				Total other equity
		Special Reserve*	Capital redemption reserve	Securities Premium Account	Capital Reserve	General reserve	Retained earnings		Equity instruments through OCI	Debt instruments through OCI	Cost of Hedging Reserve	Hedging Reserve	
							Undistributable (Ind AS 101)	Distribu-table					
Balance as at April 1, 2020	471,11.44	186,73.22	0.02	3136,40.38	190,82.18	17,85.59	(1761,69.60)	226,30.02	(24.70)	88,62.92	1,68.63	(49,33.86)	2508,26.24
a) Profit for the year	-	-	-	-	-	-	-	249,67.63	-	-	-	-	249,67.63
b) Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	(3,40.57)	50,01.59	168,14.91	(92.63)	(1,72.50)	212,10.81
c) **Total comprehensive income / (loss) for the year**	-	-	-	-	-	-	-	**246,27.06**	**50,01.59**	**168,14.91**	**(92.63)**	**(1,72.50)**	**461,78.44**
d) Dividend	-	-	-	-	-	-	-	(18,49.99)	-	-	-	-	(18,49.99)
e) Distibutions made to holders of instruments entirely in nature	-	-	-	-	-	-	-	(28,75.00)	-	-	-	-	(28,75.00)
f) Issue expenses on instruments entirely equity in nature	-	-	-	-	-	-	-	(12,74.99)	-	-	-	-	(12,74.99)
g) Transfer to Special reserve	-	49,93.53	-	-	-	-	-	(49,93.53)	-	-	-	-	-
Balance as at March 31, 2021	**471,11.44**	**236,66.74**	**0.02**	**3136,40.38**	**190,82.18**	**17,85.59**	**(1761,69.60)**	**362,63.57**	**49,76.90**	**256,77.84**	**76.01**	**(51.06.36)**	**2910,04.69**

Particulars	Equity component of compound financial instrument (Refer Note 22C)	Other Reserves							Other components of equity				Total other equity
							Retained earnings						
		Special Reserve	Capital redemption reserve	Securities Premium Account	Capital Reserve	General reserve	Undistributable (Ind AS 101)	Distribu-table	Equity instruments through OCI	Debt instrument s through OCI	Cost of Hedging Reserve	Hedging Reserve	
Balance as at April 1, 2019	471,11.44	174,90.04	0.02	3010,98.38	190,82.18	17,85.59	(1761,69.60)	265,68.33	17,02.31	-	(3,77.10)	-	2382,91.59
a) Profit for the year	-	-	-	-	-	-	-	59,15.92	-	-	-	-	59,15.92
b) Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	2,16.11	(17,27.01)	88,62.92	5,45.73	(49,33.86)	29,63.89
c) Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**61,32.03**	**(17,27.01)**	**88,62.92**	**5,45.73**	**(4,933.86)**	**88,79.81**
d) Dividend (including dividend distribution tax of ₹ 30,40.60 lakhs	-	-	-	-	-	-	-	(84,22.87)	-	-	-	-	(84,22.87)
e) Equity infusion during the year	-	-	-	125,57.00	-	-	-	-	-	-	-	-	125,57.00
f) Shares issue expenses				(15.00)	-	-	-	-	-	-	-	-	(15.00)
g) Issue expenses on instruments entirely equity in nature	-	-	-	-	-	-	-	(4,64.29)	-	-	-	-	(4,64.29)
h) Transfer to Special reserve	-	11,83.18	-	-	-	-	-	(11,83.18)	-	-	-	-	-
Balance as at March 31, 2020	**471,11.44**	**186,73.22**	**0.02**	**3136,40.38**	**190,82.18**	**17,85.59**	**(1761,69.60)**	**226,30.02**	**(24.70)**	**88,62.92**	**1,68.63**	**(49,33.86)**	**2508,26.24**

*Transfer to 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.

See accompanying notes forming part of the financial statements (1 to 49)

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022
Sameer Mota
Partner
Membership No. 109928

Place : Mumbai
Date: April 30, 2021

For and on behalf of the Board of Directors

Vedika Bhandarkar
Director
(DIN - 00033808)

P.B. Balaji
Director
(DIN - 02762983)

Samrat Gupta
Managing Director and Chief Executive Officer
(DIN - 07071479)

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary

Place : Mumbai
Date: April 30, 2021

Notes Forming Part of Financial Statements for the year ended March 31,2021

1. COMPANY INFORMATION

Tata Motors Finance Limited ("the Company") is a public limited Company incorporated and domiciled in India and has its registered office in Mumbai, India.

The Company is registered as a Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Company ("NBFC") under section 45-IA of the Reserve Bank of India ('RBI'), Act 1934 with effect from March 04, 1998. The Company is a subsidiary of TMF Holdings Limited (Formerly known as Tata Motors Finance Limited). With effect from June 30, 2017, the name of the Company has changed to Tata Motors Finance Limited from Sheba Properties Limited.

The financial statements were approved by the Board of Directors and authorised for issue on April 30, 2021.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/ clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 3.1 - Significant accounting judgements, estimates and assumptions.

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

2.2. Historical cost convention

The financial statements have been prepared on historical cost basis except for certain financial instruments and plan assets of defined benefits plan, which are measured at fair value at the end of each reporting period as explained in the accounting policies below.

2.3. Presentation of financial statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Statement of Cash Flows has been presented using indirect method as per the requirements of In AS 7 Statement of Cash Flows.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Use of estimates and judgments

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in following notes.

a) Note 3 (xv)- Business model assessment for classification and measurement of financial assets

b) Note 3 (xv) & 43- Impairment allowances of financial assets based on the expected credit loss model

c) Note 3(vii) and 3(viii)- Useful lives of property, plant and equipment and intangible assets.

d) Note 3(xi) and 34- Measurement of assets and obligations of defined benefit employee plans.

e) Note 3(iv) and 11- Recoverability and recognition of deferred tax assets.

f) Note 3(xii), 20 & 32- Measurement of provisions and contingencies.

g) Note 3(xvii) and 36- Fair value measurement of financial instruments.

h) Note (xv)- Effective Interest Rate (EIR) methodology that represents the best estimate of a constant rate of return over the expected behavioural life of financial instruments

i) Note (ix)- Determination of lease term where the Company is a lessee

(ii) Revenue recognition

Revenue from Operations

(a) Income on loans arising from financing activities

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset.

The EIR in case of a financial asset is computed

-the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

-by considering all the contractual terms of the financial instrument in estimating the cash flows.

-Including all fees/service charges and incentives paid and received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Overdue Interest is recognised on a point-in-time basis, and are recorded when realised since the probability of collecting such monies is established when the customer pays.

Income from direct assignment

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

(b) Dividend Income

Dividend income is recognised in the statement of profit or loss on the date

- when the Company's right to receive the payment is established,
- it is probable that the economic benefits associated with the dividend will flow to the entity; and
- the amount of dividend can be reliably measured

(c) Rental Income

Rental income arising from operating lease is recognised on a straight-line basis over the lease term.

Rental income arising from finance lease are apportioned between principal and interest based on the interest rate implicit in the lease. The interest portion of the rental income is recognised under the head Interest Income in the statement of profit or loss.

(d) Fees and Commission Income

Fees and commissions which do not form part of the effective interest rate calculation are recognised when the Company satisfies the performance obligation and are accrued as and when they are due.

Other Income

Support Services Fee income earned for the services rendered are recognized as and when they are due.

(iii) Foreign currency

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

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

Exchange differences are recognised in the statement of profit & Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs.

(iv) Income Taxes

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

Current income taxes are determined based on respective taxable income of Company and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and un-utilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current and deferred tax assets and liabilities on a net basis.

(v) Cash and Cash equivalents

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

(vi) Earnings per share

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

(vii) Property, Plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes purchase price, non-refundable taxes and levies and other directly attributable costs of bringing the assets to its location and working condition for its intended use.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods, and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses, are charged to the statement of profit and loss during the period in which they are incurred.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss, arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

Depreciation is provided on the straight-line method over the useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement and anticipated technological changes.

Schedule II to the Companies Act 2013 ('Schedule') prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that, the useful lives adopted by it reflects the periods over which these assets are expected to be used. Accordingly for those assets, the useful lives estimated by management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

Type of Asset	Estimated useful life
Building	19 & 60 years
Data Processing Machines	3 years
Furniture & Fixture	5 to 10 years
Office Equipment	2 to 10 years

Vehicles	4 & 5 years
Vehicles On Operating Lease	4 to 6 years

The useful lives and method of depreciation is reviewed at least at each year-end. Changes in expected useful lives are treated as change in accounting estimates.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition. Depreciation on deductions/ disposals is provided on a pro-rata basis upto the month preceding the month of deduction/disposal.

However, leasehold improvements and PPE located in leasehold premises are depreciated on a straight-line method over shorter of their respective useful lives or the tenure of the lease arrangement.

Assets costing less than Rs. 5,000/- are expensed off at the time of purchase.

(viii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Intangible assets and their useful lives are as under

Type of asset	Estimated useful life
Software	5 years

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(ix) Leases

Contracts/arrangements, or part of a contract/arrangement meeting the definition of "lease" and falling within the scope of Ind AS 116 "Leases" to follow accounting policies mentioned below

(A) Company is a Lessee- Assets taken on lease

i) Right of use of assets

The Company recognises right- of- use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and lease term. Right-of-use assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) and variable lease payment that depend on a index or rate less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised in the statement of profit and loss as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest with corresponding amount recognised in finance cost under the statement of profit and loss and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies recognition exemption of not to recognise right-of-use assets and lease liabilities for short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in the statement of profit and loss on a straight-line basis over the lease term.

(B) Company as a Lessor

Lease classification is made at the inception date and is reassessed only if there is a lease modification. Changes in estimates (for example, changes in estimates of the economic life or of the residual value of the underlying asset), or changes in circumstances (for example, default by the lessee), is not a lease modification do not give rise to a new classification of a lease for accounting purposes.

Assets given on operating lease

The Company has given vehicles on lease where it has substantially retained the risks and rewards incidental to ownership of an vehicle and hence these are classified as operating lease. These assets given on operating lease are included in Property Plant & Equipment (PPE). Depreciation on the vehicle are recognized as an expense in the statement of profit and loss and initial direct cost incurred in obtaining an operating lease are added to the carrying amount of the vehicle and are recognised in statement of profit and loss in the form of depreciation over the operating lease term.

Lease rental income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished.

Assets given on finance lease

The Company has given vehicles on lease where it has transferred substantially all the risks and rewards incidental to ownership of an vehicle and hence these are classified as finance lease.

Assets given under finance lease are recognised as a finance lease receivable at an amount equal to the net investment in the lease. The net investment in the lease is calculated by discounting the gross investment in lease at the interest rate implicit in the lease. Lease rentals for the period are apportioned between principal and interest income. The portion of principal amount reduces the net investment in the lease. Interest (finance) income is recognised in the statement of profit or loss under Interest Income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease.

(x) Impairment of Non financial assets

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

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

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

(xi) Employee benefits

(A) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include salaries and performance incentives/bonuses which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

(B) Post-Employment/Retirement benefit Plans

(1) Defined contribution plans

Superannuation fund

Contribution to the superannuation fund is made at 15% of basic salary for the employees who have opted to the scheme, managed by the ultimate parent Company and is charged to the Statement of Profit and Loss on accrual basis.

(2) Defined benefit plans

(a) Provident fund

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office, as specified under the law, are made to the provident fund set up as an irrevocable trust by Tata Motors Limited ("the ultimate parent Company"). The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall on account of , if any, shall be made good by the Company. The total liability in respect of the principal and interest shortfall of the Fund is determined on the basis of an actuarial valuation. The principal and interest liability arising only to the extent of the aforesaid differential shortfalls is a defined benefit. There is no shortfall as at March 31, 2021.

(b) Gratuity

For defined benefit schemes in the form of gratuity plan, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each year end. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets.

The Company have an obligation towards gratuity, post employment/retirement defined benefit plan covering eligible employees. The benefit is in the form of lump sum payments to eligible employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days' to 30 days' basic salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The liability determined basis actuarial valuation is compared with the fair value of plan assets and the shortfall or excess is accounted for as a liability or an asset respectively.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability is recognised in the Statement of Profit and loss.

Remeasurement gain and losses arising from experience adjustment and changes in actuarial assumption are recognized in the period in which they occur, directly in OCI. they are included in retained earnings in the statement of changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(C) Other long term employee benefit plans

(1) Defined benefit plans

(a) Compensated absences

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit or Loss.

(xii) Provisions and Contingent Liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to the net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company.

Claims against the company, where the possibility of any outflow of resources in the settlement is remote, are not disclosed as contingent liabilities, Provision, Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognized in the financial statements.

(xiii) Dividend (including dividend distribution tax)

Any dividend declared or paid by Company is based on the profits available for distribution as reported in the financial statements. Indian law mandates that dividend be declared out of distributable profits, after setting off un-provided losses and depreciation of previous years. In case of inadequacy or absence of profits in a particular year, a Company may pay dividend out of accumulated profits of previous years transferred to statement of profit and loss. However, in the absence of accumulated profits a Company may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and Payment of Dividend) Rules, 2014. Accordingly, in certain years the net income reported in these financial statements may not be fully distributable.

(xiv) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Board of Directors Committee who has been identified as the Chief Operating Decisions Maker.

(xv) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

(A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Classification and Subsequent measurement

For the purposes of initial measurement, financial assets are classified in the following categories:-

a. at amortised cost, or

b. at fair value through other comprehensive income (FVTOCI), or

c. at fair value through profit or loss (FVTPL)

The above classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flow.

(I) Debt Instruments

Initial measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(a) At amortised cost:

A debt instrument is measured at amortised cost, if both the following conditions are satisfied/ fulfilled

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans arising from financing activities and investments.

(b) At FVTOCI:

A debt instrument is classified at FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses and reversals in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(c) At FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(II) Equity Instruments/investments

Investments in equity instruments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Company has irrevocable option to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

(III) Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model in accordance with Ind AS 109 for recognising impairment loss on financial assets except for

- equity instruments which are not subject to impairment under Ind AS 109, and
- other debt financial assets held at fair value through profit or loss (FVTPL)

The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial assets ('lifetime ECL), unless there had been no significant increase in credit risk of a default occurring since origination or initial recognition, in which case, the impairment allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL (both life time and 12 months) are calculated on a collective basis considering the retail nature of the underlying portfolio of financial assets.

The impairment methodology applies depends on whether there has been significant increase in credit risk. When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial assets. The Company categorises financial assets at the reporting date into stages based on the days past due ('DPD') status as under:

- Stage 1: Low credit risk, i.e. 0 to 30 days past due
- Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due
- Stage 3: Credit Impaired assets, i.e. more than 90 days past due or cases where the company suspects fraud and legal proceedings are initiated.

For restructured cases which are not getting covered under any specific regulatory package issued by RBI, as a part of qualitative assessment of whether a customer is in default (i.e. credit impaired), the Company carefully considers and assesses various instances to determine whether the restructuring of a loan or advance should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations.

Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

PD is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. PD estimation process is done based on historical internal data available with the Company.

EAD represents gross carrying amount at the reporting date in case of Stage 1 and Stage 2. In case of Stage 3 loans EAD represents gross carrying amount at the time when the default occurred for first time.

Restructured cases which are not getting covered under any Regulatory Package or any Circulars issued by RBI.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Brent rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD determined by the Company based on its internal data. While the internal estimates of PD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

Collateral valuation:

The Company creates & secures first and exclusive collateral charge at the time of loan origination on all vehicles for which vehicle financing loans are given. Hypothecation endorsement is obtained in favour of the Company in the Registration Certificate of the Vehicle funded under the vehicle finance category (98% secured- tangible assets). Any surplus remaining after settlement of outstanding loan by way of sale of vehicle (collateral) is returned to the customer. Other than the above Company secures portion of the loss against loans financed to customers by obtaining third party credit guarantees.

The measurement of impairment losses across all the categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of financial statements. The Company regularly reviews its models in the context of actual loss experience and makes adjustments when such differences are significantly material.

The amount of ECL (or reversal) at the reporting date is recognised as an impairment loss/(gain) in the statement of profit and loss.

ECL on Debt instruments measured at amortised cost

The ECLs for debt instruments measured at amortised cost is reduced from the gross carrying amount of these financial assets in the balance sheet.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the gross carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Write-off

The gross carrying amount of a financial assets is written- off (either partially or fully) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries against such financial assets are credited to the statement of profit and loss.

(IV) Derecognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability as collateralised borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI, and accumulated in equity is recognised in the Statement of Profit and Loss.

(B) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(I) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value. However, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of financial liabilities. The transaction costs directly attributable to the issue of financial liabilities at fair value through profit or loss are immediately recognised in profit or loss.

The Company's financial liabilities majorly comprise of trade and other payables, loans and borrowings, including bank overdrafts and cash credit facility and derivative financial instruments.

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method or at fair value through profit or loss (FVTPL).

(a) At FVTPL:

Financial liabilities includes derivative financial instruments entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

(b) At amortised cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the profit or loss.

Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109- Financial Instruments; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 - Revenue from contracts with customers

Derecognition of financial liabilities:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Modification/Renegotiation that do not result in derecognition

Changes to the carrying amount of a financial liability as a result of renegotiation or modification of terms that do not result in derecognition of the financial liability, is recognised in the Statement of Profit and Loss.any subsequent changes in the estimation of the future cash flows of financial liability is recognized under finance cost in the statement of profit or loss with the corresponding adjustment to the carrying amount of the financial liability.

(II) Equity Instrument

An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Incremental costs incurred which are directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from the proceeds.

(III) Compound financial Instrument

The components of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and definitions of a financial liability and an equity instrument. A conversion option that will be settled by exchange of fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of liability component from the fair value of the compound financial instruments as a whole.

This is recognised and included in equity, net of tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible instrument using effective interest rate method.

(xvi) Derivatives and Hedging activities

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 14.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in Statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument (Refer sub note (a) below), in which event the timing of recognition in profit or loss depends on the nature of the hedging relationship and nature of the hedge item.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host and accordingly, are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

(a) Hedge accounting

The Company designates foreign currency forward derivative contracts as hedges of foreign exchange risk associated with the cash flows of foreign currency risks associated with the borrowings denominated in foreign currency (referred to as "cash flow hedges").

The Company documents at the inception of the hedging transaction the economic relationship between the hedging instruments and hedge items including whether the hedging instrument is expected to offset changes in the cash flows of hedge items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of the hedging relationship.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity to effective portion (as described above) are reclassified to profit or loss in the periods when the hedge item affects profit or loss, in the same line as the recognised hedge item.

In cases where the designated hedging instruments are forward contracts, the Company has an option, for each designation, to designate on an instrument only the changes in spot element of forward contracts respectively as hedges. In such cases, the forward element (i.e. forward premium) is accounted based on the type of hedge which those forward contract hedge.

The changes in the forward element of the forward contracts are recognised within other comprehensive income in the costs of hedging reserve within equity.

In case of transaction related hedge item in the above cases, the changes in the forward element (i.e. forward premium) of the forward contracts accumulated within other comprehensive income in the costs of hedging reserve within equity is reclassified to profit or loss as a reclassification adjustment in the same period in which the hedged expected future cash flows affect profit or loss.

In case of time-period related hedge item in the above cases, the changes in the forward element (i.e. forward premium) of the forward contracts accumulated within other comprehensive income in the costs of hedging reserve within equity is amortised on a systematic and rational basis over the period during which the forward contracts spot element could affect profit or loss as a reclassification adjustment from other comprehensive income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

(xvii) Fair value measurement

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date

(xviii) Offsetting financial instruments

Financial assets and financial liabilities are offset when it currently has a legally enforceable right (not contingent on future events) to off- set the recognised amounts and the Company intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(xix) Recent Accounting Pronouncement

(A) There are no new accounting pronouncement by MCA during the year

(B) There are no amendments to existing standards during the year

Note 4

Cash and cash equivalents

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	9,53.04	1,46.79
Balance with Banks	1588,07.15	451,11.76
Cheques, drafts on hand	13,50.68	39.07
Bank deposit with maturity of less than 3 months	2655,00.00	1450,00.00
Total	**4266,10.87**	**1902,97.62**

Note 5

Bank balance other than cash and cash equivalents

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits with banks	452,76.11	500,00.00
Earmarked balances with banks (refer note 1)	47.96	1,07.85
Margin money / cash collateral with banks (refer note 2)	534,46.34	786,30.83
Total	**987,70.41**	**1287,38.68**

Note :

(1) Earmarked balances with banks on account of unclaimed interest on debt securities.

(2) Margin money / cash collateral with banks acting as credit enhancement in respect of securitisation transactions.

Note 6

Trade receivables

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good – Unsecured	68,50.74	188,23.20
Less : Impairment loss allowance	(7,94.70)	(34.50)
Total	**60,56.04**	**187,88.70**

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Other receivables

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good - Unsecured	31,33.12	59,66.31
Total	**31,33.12**	**59,66.31**

No other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 8

Loans

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
From Financing Activities		
- Term loans	22416,08.83	23607,75.12
- Finance Lease Receivables	19,08.49	3,54.96
- Credit substitutes	772,34.22	371,20.02
From other than financing activities		
- Inter corporate deposits (repayable on demand)	-	240,00.00
Total (A) - Gross	**23207,51.54**	**24222,50.10**
Less: Impairment loss allowance	(1076,68.44)	(568,07.12)
Total (A) - Net	**22130,83.10**	**23654,42.98**
At fair value through other comprehensive income (FVOCI)		
From financing activities		
- Term loans	7988,89.02	3719,78.70
Less: Impairment loss allowance	(71,55.79)	(16,88.98)
Total (B) – Net	**7917,33.23**	**3702,89.72**
(C)		
Secured by tangible assets (refer note 2 and 3 below)	28683,39.33	27448,30.78
Covered by government guarantees (refer note 4 below)	1874,50.06	-
Unsecured	638,51.17	493,98.02
Total (C) - Gross	**31196,40.56**	**27942,28.80**
Less: Impairment loss allowance	(1148,24.23)	(584,96.10)
Total (C) - Net	**30048,16.33**	**27357,32.70**
(D)		
Loans in India		
- Public Sector	-	-
- Others	31196,40.56	27942,28.80
Total (D) - Gross	**31196,40.56**	**27942,28.80**
Less: Impairment loss allowance	(1148,24.23)	(584,96.10)
Total (D) - Net	**30048,16.33**	**27357,32.70**

Note :

1. Investments in bonds, debentures and other financial instruments which, in substance, form a part of the Company's financing activities ("Credit Substitutes") have been classified under Loans.
2. The Company covers/secures the credit risk associated with the loans given to customers by creating an exclusive charge/hypothecation/security on the assets/vehicles as mentioned/specified in the loan agreement with the customers.
3. Includes Vehicle term loan lending done to Micro and Small Enterprises, for which the Company has availed the benefit of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme to secure credit default risk.
4. Backed by credit guarantee of the government under the Emergency Credit Line Guarantee Scheme (ECLGS) having hundred percent guarantee cover.

Note 9

Investments

(₹ In lakhs)

	As at March 31, 2021					As at March 31, 2020				
	Amortised cost	At fair value			Total	Amortised cost	At fair value			Total
		Through other comprehensive income	Through profit or loss	Sub total			Through other comprehensive income	Through profit or loss	Sub total	
	(1)	(2)	(3)	(4=1+2+3)	(5=1+4)	(6)	(7)	(8)	(9=6+7+8)	(10=6+9)
Category of investments										
i. Mutual funds	-	-	-	-	-	-	-	-	-	-
ii. Debt securities	-	-	-	-	-	-	-	-	-	-
iii. Equity instruments*	-	112,53.31	119,22.58	231,75.89	231,75.89	-	60,70.44	66,06.05	126,76.49	126,76.49
iv. Preference Shares	1,90.00	-	-	-	1,90.00	1,90.00	-	-	-	1,90.00
v. Trust Securities	-	-	8,66.95	8,66.95	8,66.95	-	-	11,06.86	11,06.86	11,06.86
Total (A) – Gross	**1,90.00**	**112,53.31**	**127,89.52**	**240,42.84**	**242,32.84**	**1,90.00**	**60,70.44**	**77,12.91**	**137,83.35**	**139,73.35**
i. investments outside India	-	-	-	-	-	-	-	-	-	-
ii. Investments in India	1,90.00	112,53.31	127,89.52	240,42.84	242,32.84	1,90.00	60,70.44	77,12.91	137,83.35	139,73.35
Total (B)	**1,90.00**	**112,53.31**	**127,89.52**	**240,42.84**	**242,32.84**	**1,90.00**	**60,70.44**	**77,12.91**	**137,83.35**	**139,73.35**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-	-	-	-
Total (D) = (A - C)	**1,90.00**	**112,53.31**	**127,89.52**	**240,42.84**	**242,32.84**	**1,90.00**	**60,70.44**	**77,12.91**	**137,83.35**	**139,73.35**

* Includes amount of ₹ 20,50.00 lakhs (March 31, 2020 ₹ 20,50.00 lakhs) pertaining to certain unquoted equity instruments for which cost 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.

Annexure to Note 10

(₹ In lakhs)

Face Value per unit (in Rs)	Description	Quantity (in nos.) as at March 31, 2021	As at March 31, 2021	Quantity (in nos.) as at March 31, 2020	As at March 31, 2020
	Investments measured at fair value through other comprehensive income				
	Investment in equity shares				
	(a) Quoted				
10	Tata Steel Limited	570,188	46,29.07	570,188	15,37.23
10	Tata Steel Limited - fully paid up as at March 31, 2021 (partly paid upto ₹ 2.5 per share at March 31, 2020)	39,323	319.24	39,323	11.66
10	Tata Chemicals Limited	10,060	75.63	10,060	22.49
1	Tata Power Limited	9,120	9.42	9,120	3.00
1	Tata Consumer Products Limited (pursuant to Scheme of Arrangement wherein 100 shares held in Tata Chemicals Limited are allotted 114 shares of face value of ₹ 1 in TCPL)	11,468	73.27	11,468	33.81
10	NTPC Limited	156,000	1,66.22	156,000	1,31.35
1	NMDC Limited	20,000	27.07	20,000	16.00
10	Coal India Limited	11,904	15.52	11,904	16.67
	(b) Unquoted				
10	Taj Air Limited	4,200,000	-	4,200,000	-
1,000	Tata International Limited	19,350	38,87.87	19,350	22,48.23
100	Tata Industries Limited	993,753	20,50.00	993,753	20,50.00
	Subtotal (a)		**112,53.31**		**60,70.44**
	Investments measured at fair value through profit and loss				
	Investment in equity shares				
	(a) Quoted				
10	Automobile Corporation of Goa Limited	48,315	1,96.59	48,315	1,41.90
	(b) Unquoted				
10	Tata Technologies Limited	811,992	117,25.98	811,992	64,64.15
10	Tata Hitachi Construction Machinery Company Private Limited	285,714	-	285,714	-
	Investment in trust securities (partly paid)				
10	SBI Macquarie Infrastructure Trust (Fully paid Rs. 8.63 (at March 31, 2020: Partly paid upto Rs 8.60)	15,000,000	8,66.95	15,000,000	11.06.86
	Investment in mutual funds units	-	-	-	-
	Subtotal (b)		**127,89.52**		**77,12.91**
	Investments measured at Amortised cost				
	Investment in Preference shares				
	Fully Paid Non-Cumulative Redeemable Preference shares (Unquoted)				
100	6% Tata Precision Industries (India) Limited	40,000	40.00	40,000	40.00
	Fully Paid Cumulative Redeemable Preference shares (Unquoted)				
100	8.50% Tata Precision Industries (India) Limited	150,000	1,50.00	150,000	1,50.00
	Investments in Debentures and Bonds				
	(a) Quoted				
	Fully Paid Secured, Non - Convertible, Redeemable Debentures				
12.50	8.49% NTPC Limited (issued as bonus)	275,752	-	275,752	-
	Subtotal (c)		**1,90.00**		**1,90.00**
	Total (a + b + c)		**242,32.84**		**139,73.35**

Note 10

Other financial assets

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits (Net of provision of ₹ 43.11 lakhs; March 31, 2020 ₹ 48.60 lakhs)	232,85.50	8,21.55
Interest accrued on deposits	20,75.36	26,15.23
Application money receivable towards securities	129,60.04	-
Others (Net of provision of ₹ 12,54.06 lakhs; March 31, 2020 ₹ 13,46.11 lakhs)	136,92.11	20,38.07
Total	**520,13.02**	**54,74.85**

Note 11

Income taxes

a) Income tax expense recognised in statement of profit or loss

(₹ In lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
Decrease (increase) in deferred tax assets	(29,67.57)	(55,15.78)
(Decrease) increase in deferred tax liabilities	(89.03)	25,21.04
Total deferred tax expense/(benefit)	(30,56.60)	(29,94.74)
Income Tax expense	**(30,56.60)**	**(29,94.74)**

b) Reconciliation of the income tax expenses and accounting profit

Reconciliation of the income tax expense and the accounting profit multiplied by India's tax rate:

(₹ In lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before taxes	219,11.03	29,21.18
Income tax expenses calculated at Statutory tax rate	**55,14.57**	**10,20.78**
Tax effect of the amount which are not taxable in calculating taxable income :		
- Effect of income that is exempt from taxation	-	(1,55.67)
- Effect of expenses not deductible for tax computation	4,79.77	7,08.08
- Utilization of unrecognised and unused tax losses to reduce current tax expense	(177,14.98)	(164,26.63)
- Impact of change in statutory tax rates	72,91.69	
- Deferred tax assets not recognised because realization is not probable	(10,44.47)	102,55.14
- Deferred tax asset now created on previously unrecognised and unused tax losses	24,16.83	-
- Others	-	16,03.56
Income tax expense/(credit) recognised for the year at effective tax rate	**(30,56.60)**	**(29,94.74)**

c) Deferred tax assets/liabilities (net)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ In lakhs)

Particulars	As at April 1, 2020	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2021
Deferred tax liabilities :				
- Fair Valuation of Financial Assets measured at FVTOCI and FVTPL	41,06.60	14,59.50	38,75.54	94,41.64
- Income to be taxed on actual receipt basis	28,83.52	2,10.08	-	30,93.60
- Sourcing commission claimed on incurrence basis	48,03.32	(17,58.61)	-	30,44.71
Total deferred tax liabilities	**117,93.44**	**(89.03)**	**38,75.54**	**155,79.95**
Deferred tax asset :				
- Property, Plant & Equipment-Accumulated depreciation		63.00		63.00
- Unabsorbed and unused tax losses and unabsorbed depreciation	66,00.00	(66,00.00)		-
- Expenses deductible in future years:				
- Provisions for impairment allowances on financial assets	156,09.80	138,71.82	-	294,81.62
- Compensated absences and retirement benefits allowable on payment basis	5,35.40	(80.32)	-	4,55.08
- Others	97.60	4,29.01	-	5,26.63
Total deferred tax assets	**228,42.80**	**76,83.51**	**-**	**305,26.33**
Net deferred tax asset/(liabilities) excl MAT Credit	**110,49.36**	**77,72.54**	**(38,75.54)**	**149,46.38**
- Minimum alternate tax (MAT) entitlement	47,15.94	(47,15.94)	-	-
Deferred tax assets/(liabilities) (net)	**157,65.31**	**30,56.60**	**(38,75.54)**	**149,46.38**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ In lakhs)

Particulars	As at April 1, 2019	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive Income	As at March 31, 2020
Deferred tax liabilities :				
- Fair Valuation of financial assets measured at FVTOCI and FVTPL	57.92	(7,11.94)	47,60.60	41,06.60
- Income to be taxed on actual receipt basis	-	28,83.52	-	28,83.52
- Sourcing commission claimed on incurrence basis	44,53.86	3,49.46	-	48,03.32
Total deferred tax liabilities	**45,11.78**	**25,21.04**	**47,60.60**	**117,93.44**
Deferred tax asset :				
- Unabsorbed and unused tax losses and unabsorbed depreciation	66,00.00	-		66,00.00
- Provisions for impairment allowances on financial assets	84,97.22	71,12.58	-	156,09.80
- Compensated absences and retirement benefits allowable on payment basis	4,63.92	71.48	- -	5,35.40
- Others	-	97.60		97.60
Total deferred tax assets	**155,61.14**	**72,81.66**	**-**	**228,42.79**
Net deferred tax asset/(liabilities) excl MAT Credit	**110,49.36**	**47,60.62**	**(47,60.60)**	**110,49.36**
- Minimum alternate tax (MAT) entitlement	64,81.83	(17,65.88)	-	47,15.94
Deferred tax assets/(liabilities) (net)	**175,31.19**	**29,94.74**	**(47,60.60)**	**157,65.31**

d) Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity

e) The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate from the current financial year and has recognized the provision for income tax and re-measured the net deferred tax assets at concessional rate.

f) Tax losses

As at March 31, 2021, unrecognized deferred tax assets amount to ₹ **105,08.02** lakhs which can be carried forward indefinitely. These relate to Primarily depreciation carry forwards. The deferred tax asset has not been recognized on the basis that its recovery is not probable in the foreseeable future.

Note 12A
Property, plant and equipment

(₹ In lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at April 01, 2020	Additions	Deletions	Balance as at March 31, 2021	Balance as at April 01, 2020	Depreciation	Deletions	Balance as at March 31, 2021	Balance as at March 31, 2021
Buildings*#	65,38.72	19,03.07	23,53.04	60,88.75	15,09.61	13,01.53	11,81.34	16,29.80	44,58.95
Furniture and fixtures	10,90.01	12.57	1,60.33	9,42.25	5,67.96	1,10.43	1,29.67	5,48.72	3,93.53
Vehicles	5,18.10	1,64.18	1,79.96	5,02.32	2,18.72	1,35.03	1,52.89	2,00.86	3,01.46
Vehicles - given on lease	172,95.82	69,09.38	3,73.95	238,31.25	27,98.88	37,43.71	2,03.87	63,38.72	174,92.53
Office equipment's	8,48.43	67.35	72,70	8,43.08	3,55.41	1,82.79	55.06	4,83.14	3,59.94
Data processing machines	7,71.51	2,70.57	-	10,42.08	4,79.50	1,79.23	-	6,58.73	3,83.35
Leasehold improvement	-	2,62.19	52,39	2,09.80	-	25.60	9.20	16.40	1,93.40
Total	**270,62.59**	**95,89.31**	**31,92.37**	**334,59.53**	**59,30.08**	**56,78.32**	**17,32.03**	**98,76.37**	**235,83.16**

* Includes Right of use assets having Gross Block value as on April 01, 2020 of ₹ 63,94.17 lakhs, additions during the year of ₹ 19,03.07 lakhs, deletions during the year of ₹ 23,53.04 lakhs, depreciation charge during the year of ₹ 12,96.29 lakhs and deletions in accumulated depreciation of ₹ 11,81.34 lakhs. Net block as on March 31, 2021 amounts to ₹ 43,62.55 lakhs.

#Secured Non-Convertible debentures (NCD's) have an exclusive pari-pasu charges on Company's residential flat.

(₹ In lakhs)

Particulars	Accumulated Depreciation				Net Block				
	Balance as at April 01, 2019	Additions	Deletions	Balance as at March 31, 2020	Balance as at April 01, 2019	Depreciation	Deletions	Balance as at March 31, 2020	Balance as at March 31, 2020
Buildings $	59,29.96	17,28.41	11,19.65	65,38.72	3,67.22	15,74.94	4,32.55	15,09.61	50,29.11
Furniture and fixtures	12,02.73	63.73	1,76.45	10,90.01	5,23.59	1,49.64	1,05.27	5,67.96	5,22.05
Vehicles	5,06.41	1,27.13	1,15.44	5,18.10	1,34.68	1,40.13	56.09	2,18.72	2,99.38
Vehicles - given on lease	84,97.32	94,79.20	6,80.70	172,95.82	9,95.15	21,39.68	3,35.95	27,98.88	144,96.94
Office equipments	6,76.24	2,38.11	65.92	8,48.43	1,47.13	2,41.15	32.87	3,55.41	4,93.02
Data processing machines	6,20.20	1,51.31	-	7,71.51	3,05.04	1,74.46	-	4,79.50	2,92.01
Total	**174,32.86**	**117,87.89**	**21,58.16**	**270,62.59**	**24,72.81**	**44,20.00**	**9,62.73**	**59,30.08**	**211,32.51**

'$ Includes Right of use assets having Gross Block value as on April 01, 2019 of ₹ 51,15.42 lakhs, additions during the year of ₹ 17,28.41 lakhs, deletions during the year of ₹ 4,49.67 lakhs, depreciation charge during the year of ₹ 15,64.95 lakhs and deletions in accumulated depreciation of ₹ 98.25 lakhs. Net block as on March 31, 2020 amounts to ₹ 49,27.47 lakhs.

Note : Building includes Rs. 1,000/- being value of investment in 20 shares of ₹ 50/- each in Nilgiri Upvan Co-operative Housing Society Limited.

Note 12B
Intangible Assets

(₹ In lakhs)

	Gross Block				Accumulated Amortisation				Net Block
Particulars	Balance as at April 01, 2020	Additions	Deletions	Balance as at March 31, 2021	Balance as at April 01, 2020	Amortisation	Deletions	Balance as at March 31, 2021	Balance as at March 31, 2021
Computer Software	8,57.84	3,38.28		11,96.12	5,58.05	1,76.24		7,34.29	4,61.83
Total	**8,57.84**	**3,38.28**	**-**	**11,96.12**	**5,58.05**	**1,76.24**	**-**	**7,34.29**	**4,61.83**

(₹ In lakhs)

	Gross Block				Accumulated Amortisation				Net Block
Particulars	Balance as at April 01, 2019	Additions	Deletions	Balance as at March 31, 2020	Balance as at April 01, 2019	Amortisation	Deletions	Balance as at March 31, 2020	Balance as at March 31, 2020
Computer Software	8,49.83	8.01	-	8,57.84	4,14.83	1,43.22	-	5,58.05	2,99.79
Total	**8,49.83**	**8.01**	**-**	**8,57.84**	**4,14.83**	**1,43.22**	**-**	**5,58.05**	**2,99.79**

Note 13
Other non-financial assets

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	9,84.30	48,58.13
Deposits with statutory authorities (Net of provision ₹. 87.92 lakhs; March 31, 2020 ₹ 87.92 lakhs)	58.74	50.58
Deposits paid under protest	11,04.69	11,04.69
Prepaid expenses	21,76.43	21,79.68
Taxes recoverable and dues from government (Net of provision of ₹ 3,03.69 lakhs; March 31, 2020 ₹ 3,03.69 lakhs)	57,02.03	39,61.17
Stamp papers	7,94.46	3,39.64
Others (Net of provision of ₹ 1,12.64 lakhs; March 31, 2020 ₹ 1,29.80 lakhs)	24,65.80	19,24.12
Total	**132,86.45**	**144,18.01**

Note 14
Derivative financial instruments as at March 31, 2021

(₹ In lakhs)

Particulars	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
Currency derivatives				
Forward Exchange Contracts	171,42.50	11,31.84	379,63.75	16,47.88
Currency Swaps				
Interest rate swaps	171,42.50	12.41	179,63.75	7,58.76
Other derivatives				
Cross currency interest rate swaps	994,90.50	14,91.69	611,20.25	16,97.55
Total Derivative Financial Instruments		**26,35.94**		**41,04.19**
Derivative designated as hedge				
Cash flow hedging:				
Forward exchange contracts	171,42.50	11,31.84	379,63.75	16,47.88
Cross currency interest rate swaps	994,90.50	14,91.69	611,20.25	16,97.55
Interest rate swaps	-	-	179,63.75	7,58.76
Subtotal		**26,23.53**		**41,04.19**
Undesignated Derivatives				
Interest Rate Swaps	171,42.50	12.41	-	-
Subtotal		**12.41**	-	-
Total Derivative Financial Instruments		**26,35.94**		**41,04.19**

Refer Note 43 on Financial Risk Management for maturity analysis of Derivative financial liabilities at March 31, 2021

Derivative financial instruments as at March 31, 2020

(₹ In lakhs)

Particulars	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
Currency derivatives				
Forward Exchange Contracts	351,06.25	26,72.23	-	-
Currency Swaps				
Interest rate swaps	171,42.50	27.16	179,63.75	10,25.29
Other derivatives				
Cross currency interest rate swaps	1606,10.75	52,41.38	-	-
Total Derivative Financial Instruments		**79,40.77**		**10,25.29**
Derivative designated as hedge				
Cash flow hedging:				
Forward exchange contracts	351,06.25	26,72.23	-	-
Cross currency interest rate swaps	1606,10.75	52,41.38	-	-
Interest rate swaps	-	-	179,63.75	10,25.29
Subtotal		**79,13.61**		**10,25.29**
Undesignated Derivatives				
Interest Rate Swaps	171,42.50	27.16	-	-
Subtotal		**27.16**	-	-
Total Derivative Financial Instruments		**79,40.77**		**10,25.29**

Note 15
Payables

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	268,52.36	233,18.28
Total	**268,52.36**	**233,18.28**
Other Payables		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	47,65.24	21,85.66
Total	**47,65.24**	**21,85.66**

Note: Information in respect of micro enterprises and small enterprises to whom the Company owes dues (including interest of Rs. Nil), which are due during the year or 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 16
Debt securities (at amortised cost)

(₹ In lakhs)

	As at March 31, 2021	As at March 31, 2020
i. Privately placed non-convertible debentures (secured)(Refer note I)	2453,44.90	1886,93.17
ii. Commercial Paper (unsecured) (net of unamortised discounting charges and borrowing cost of Rs. 133,57.21 Lakhs; March 31, 2020 Rs. 32,70.23 lakhs)	5881,42.79	4742,29.77
Total (A)	**8334,87.69**	**6629,22.94**
i. Debt securities in India	8334,87.69	6629,22.94
ii. Debt securities outside India	-	-
Total (B)	**8334,87.69**	**6629,22.94**

Note(i) 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 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

1(B) Extent

The minimum security of 100% for the Non convertible debentures outstanding has been maintaind.

Details of Non Convertible Debentures (Secured)

(₹ In lakhs)

From Balance sheet Date	As at March 31, 2021		As at March 31, 2020	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Issued on private placement basis				
Repayable on Maturity:				
Maturing within 1 Year	7.00% to 9.85%	689,92.53	7.78% to 9.59%	1477,27.17
Maturing between 1 year to 3 Years	6.75% to 8.75%	1780,00.00	9.00% to 9.85%	464,92.53
Total Face Value		**2469,92.53**		**1942,19.70**
Less: Unamortised borrowing cost		16,47.62		55,26.53
Total Amortised cost		**2453,44.90**		**1886,93.17**

Note 17

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

(₹ In lakhs)

	As at March 31, 2021	As at March 31, 2020
(a) Term loans		
i. from banks in (secured) (refer note (i)	13424,74.13	10909,92.78
ii. from banks in (unsecured)	349,98.95	874,94.23
(b) Loans repayable on demand from banks (secured) (refer note I)	2992,60.10	2494,00.00
(c) Loans repayable on demand from banks (Unsecured)	600,00.00	-
(d) Cash Credit from banks (secured) (refer note I)	597,45.18	218,76.11
(e) Collateralised Debt Obligation (secured) (refer note II)	2972,15.50	4228,24.24
(f) Liability component of compound financial instruments	161,97.06	149,43.71
Total (A)	**21098,90.94**	**18875,31.07**
i. Borrowings in India	19277,38.50	16999,89.38
ii. Borrowings outside India	1821,52.44	1875,41.69
Total (B)	**21098,90.94**	**18875,31.07**

Note (i)

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:

a) All receivables of the Company arising out of loan, lease transactions and trade advances.
b) All other book debts.
c) Receivables from pass through certificates in which Company has invested.
d) Such other current assets as may be identified by the Company from time to time and accepted by the security trustee.
e) ECB of USD 100 Million from IFC is secured by way of first parri passu charge in favour of IFC on receivables of the Company.

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:

a) All receivables of the Company arising out of loan, lease and trade advances;
b) All other book debts;
c) Receivables from pass through certificates in which Company has invested; and
d) 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 loans securitised/direct assignment, which does not meet the criteria for derecognition as per Ind AS 109.

Note (iv)

The borrowings have not been guaranteed by directors or others.

Details of Term Loans from banks (Secured)

(₹ In lakhs)

From Balance sheet Date	As at March 31, 2021		As at March 31, 2020	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing within 1 Year	6.21% to 9.05%	1374,45.50	7.50% to 9.25%	325,53.57
Maturing between 1 year to 3 Years	7.35% to 8.35%	1675,00.00	7.42% to 9.50%	1314,16.25
Maturing between 3 Years to 5 Years	-	-	8.35% to 9.10%	1625,00.00
Total repayable on maturity (A)		**3049,45.50**		**3264,69.82**
2. Repayable in Installments:				
i. on quarterly basis				
Maturing within 1 Year	6.90% to 8.80%	1662,25.65	6.85% to 9.05%	653,58.00
Maturing between 1 year to 3 Years	6.90% to 8.80%	2958,85.65	7.35% to 9.05%	1157,37.00
Maturing between 3 Years to 5 Years	6.90% to 8.20%	1022,29.23	7.95% to 8.80%	441,55.00
Subtotal (B)		**5643,40.53**		**2252,50.00**
ii. on half yearly basis				
Maturing within 1 Year	7.40% to 8.65%	706,72.62	8.05% to 9.80%	839,85.12
Maturing between 1 year to 3 Years	7.45% to 8.70%	1579,40.48	8.05% to 9.10%	1512,38.10
Maturing between 3 Years to 5 Years	7.60% to 7.85%	101,87.50	8.70% to 9.10%	675,62.50
Subtotal (C)		**2388,00.60**		**3027,85.72**
iii. on yearly basis				
Maturing within 1 Year	7.95% to 8.40%	275,00.00	8.90% to 9.15%	158,33.33
Maturing between 1 year to 3 Years	7.95% to 8.40%	266,66.67	8.65% to 9.15%	341,66.67
Subtotal (D)		**541,66.67**		**500,00.00**
Total repayable on installments (E = B+C+D)		**8573,07.80**		**5780,35.72**
Total term loans as per contractual terms (F = A+E)		**11622,53.30**		**9045,05.54**
Less: Unamortised borrowing costs		**19,31.60**		**10,54.44**
Total Amortised cost		**11603,21.70**		**9034,51.10**

Details of External Commercial Borrowings (USD)

(₹ In lakhs)

From Balance sheet Date	As at March 31, 2021		As at March 31, 2020	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing between 1 year to 3 Years	8.11% to 8.88%	1099,30.00	8.11% to 8.88%	1133,35.59
Maturing between 3 Years to 5 Years	8.96% to 9.03%	731,46.75	8.96% to 9.03%	755,26.50
Total repayable on maturity		**1830,76.75**		**1888,62.09**
Less: Unamortised borrowing costs		9,24.31		13,20.40
Net		**1821,52.43**		**1875,41.69**

Details of Collateralised Debt Obligation

(₹ In lakhs)

From Balance sheet Date	As at March 31, 2021		As at March 31, 2020	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year	7.70% to 9.20%	1712,78.02	-	-
Maturing between 1 year to 3 Years	6.47% to 9.10%	1244,95.18	6.47% to 9.10%	1139,11.18
Maturing between 3 Years to 5 Years	7.90% to 9.20%	15,92.20	7.90% to 9.20%	3090,83.23
Total		**2973,65.40**		**4229,94.42**
Less: Unamortised borrowing costs		1,49.90		1,70.18
Net		**2972,15.50**		**4228,24.24**

Details of Term Loans from banks (Unsecured)

(₹ In lakhs)

From Balance sheet Date	As at March 31, 2021		As at March 31, 2020	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing within 1 Year	7.35% to 7.35%	100,00.00	8.20% to 8.20%	100,00.00
Maturing between 1 year to 3 Years	-	-	8.35% to 8.35%	100,00.00
Total repayable on maturiy (A)		**100,00.00**		**200,00.00**
2. Repayable in Installments:				
i. on half yearly basis				
Maturing within 1 Year	8.05% to 8.80%	250,00.00	8.35% to 9.00%	425,00.00
Maturing between 1 year to 3 Years	-	-	8.40% to 8.90%	250,00.00
Total repayable in installments (B)		**250,00.00**		**675,00.00**
Total term loans as per contractual terms (C = A+B)		**350,00.00**		**875,00.00**
Less: Unamortised borrowing costs		1.05		5.77
Total Amortised cost		**349,98.95**		**874,94.23**

Details of Loans repayable on demand from banks (Secured)

(₹ In lakhs)

From Balance sheet Date	As at March 31, 2021		As at March 31, 2020	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year	6.20% to 8.25%	2992,60.10	7.70% 9.60%	2494,00.00
Total		**2992,60.10**		**2494,00.00**

Details of Loans repayable on demand from banks (unsecured)

(₹ In lakhs)

From Balance sheet Date	As at March 31, 2021		As at March 31, 2020	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year	5.00% to 7.30%	600,00.00	-	-
Total		**600,00.00**		**-**

Details of Cash Credit facilities (Secured)

(₹ In lakhs)

From Balance sheet Date	As at March 31, 2021		As at March 31, 2020	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year	8.50% to 9.35%	597,45.18	8.80% to 10.90%	218,76.11
Total		**597,45.18**		**218,76.11**

Note 18
Subordinated Liabilities (at amortised cost)

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Perpetual Debt Instruments to the extent that do not qualify as equity (unsecured)	224,21.08	373,77.72
(b) Privately placed subordinated unsecured redeemable, non-convertible debentures	1430,72.11	1640,74.62
Total (A)	**1654,93.19**	**2014,52.34**
i. Debt securities in India	1654,93.19	2014,52.34
ii. Debt securities outside India	-	-
Total (B)	**1654,93.19**	**2014,52.34**

Details of Subordinated liabilities in the nature of Tier II unsecured redeemable non-convertible debentures

(₹ In lakhs)

From Balance sheet Date	As at March 31, 2021		As at March 31, 2020	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Issued on private placement basis				
Repayable on Maturity:				
Maturing within 1 Year	11.00% to 11.00%	154,45.00	10.70% to 11.35%	211,00.00
Maturing within 1 Year to 3 Years	9.85% to 11.50%	245,50.00	10.46% to 11.50%	244,85.00
Maturing between 3 year to 5 Years	9.70% to 11.10%	235,00.00	9.70% to 11.33%	390,10.00
Maturing beyond 5 Years	8.35% to 10.25%	800,00.00	8.35% to 10.25%	800,00.00
Total Face Value		**1434,95.00**		**1645,95.00**
Less : Unamortised Borrowing Cost		4,22.89		5,20.38
Total Amortised Cost		**1430,72.11**		**1640,74.62**

Details of Subordinated liabilities in the nature of unsecured non-convertible Perpetual Debentures*

Particulars	(₹ in Lakhs)	Face Value (₹)
11.50% TMFL Perpetual "A" FY 2012-13	26,90.00	5 Lakhs
11.25% TMFL Perpetual "A" FY 2012-13	73,10.00	5 Lakhs
11.03% TMFL Perpetual "B" FY 2013-14	52,70.00	10 Lakhs
11.33% TMFL Perpetual "A" FY 2013-14	22,30.00	10 Lakhs
11.10% TMFL Perpetual "B" FY 2014-15	50,30.00	10 Lakhs
	225,30.00	
Less : Unamortised Borrowing Cost	1,08.92	
	224,21.08	

*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 19

Other financials liabilities

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on borrowings	254,85.09	169,34.09
Payable for assigned receivables	244,60.12	158,62.98
Deposits	11,72.42	5,20.39
Lease liability for right of use assets	47,31.60	52,06.78
Others	166,69.13	76,21.14
Total	**725,18.36**	**461,45.38**

Note 20

Provisions

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	13,82.12	9,22.61
Provision for Indirect taxes	66,11.94	66,11.94
Provision for consumer disputes	93.46	1,41.11
Total	**80,87.52**	**76,75.66**

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

(a) Provision for Indirect taxes

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	66,11.94	111,99.99
Add : Provision during the year	-	-
Less : Utilisation/Reversal during the year	-	45,88.05
Closing Balance	66,11.94	66,11.94

(b) Provision for consumer disputes

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	1,41.11	3,23.46
Add : Provision during the year	35.82	1,41.11
Less : Utilisation/Reversal during the year	83.47	3,23.46
Closing Balance	**93.46**	**1,41.11**

Note 21
Other non-financial liabilities

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	38,14.50	25,08.65
Others	43,41.04	29,34.50
Total	**81,55.54**	**54,43.15**

Note 22A
Equity Share Capital

(₹ In lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹.100 each with voting rights	1200,00,000	1200,00.00	1200,00,000	1200,00.00
		1200,00.00		**1200,00.00**
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 100 each	60,827,689	608,27.69	60,827,689	608,27.69
Total		**608,27.69**		**608,27.69**

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

(₹ In lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	60,827,689	608,27.69	58,384,693.00	583,84.69
Shares Issued during the year	-	-	2,442,996.00	24,43.00
Shares outstanding at the end of the year	**60,827,689**	**608,27.69**	**60,827,689**	**608,27.69**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital
A. Equity shares with voting rights Holding Company				
TMF Holdings Limited	59,005,673	97.00	59,005,673	97.00
Subsidiaries of holding company				
Tata Motors Finance Solutions Limited	1,822,016	3.00	1,822,016	3.00

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital
Equity Share with voting rights				
TMF Holdings Limited	59,005,673	97.00	59,005,673	97.00

(d) Terms / rights attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank 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) Information regarding issue of shares in the last five years

1. The Company has not issued any shares without payment being received in cash.
2. The Company has not issued any bonus shares.
3. The Company has not undertaken any buy-back of shares.

(f) Dividends not recognised at the end of the reporting year

Dividends not recognised at the end of the reporting year
No dividend has been declared during the year (March 31, 2020 – Nil)

Note 22B
Instruments entirely equity in nature
(i) Perpetual Debt

(₹ In lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Balance as at beginning of the year	2,500.00	250,00.00	-	-
Increase during the year	7,130.00	713,00.00	2,500.00	250,00.00
Balance as at end of the year	**9,630.00**	**963,00.00**	**2,500.00**	**250,00.00**

The Company has issued 7,130 subordinated, listed, unsecured, rated perpetual securities of face value of ₹ 10 lakhs each in 8 series ("A to H") during the year ended March 31, 2021. These securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The coupon rate on Series "A" is 10.50% p.a. (₹ 15,00 lakhs), Series "B" & "C" is 10.25% p.a. (₹ 43,00 lakhs & ₹ 100,00 lakhs respectively), Series "D" & "E" is 9.75% p.a. (₹ 85,00 lakhs & ₹ 100,00 lakhs respectively), Series "F" it is 9.60% p.a. (₹ 60,00 lakhs) and Series "G" & "H"is 9.55% p.a. (₹ 100,00 lakhs & ₹ 210,00 lakhs) with a step up provision of 100 bps over the respective coupon rate, if the securities are not called by the issuer at the end of 10 years from the date of allotment. The payment of any Coupon may be cancelled or suspended at the discretion of the Board of Directors. (2,500 perpetual securities of face value of Rs. 10 lakhs each issued in the year 2019-20 bearing coupon of 11.50%p.a)

The Coupon on the Debentures shall not be cumulative except where the Issuer shall not be liable to pay Coupon and may defer the payment of Coupon, if

i. it's capital to risk assets ratio ("CRAR") is below the minimum regulatory requirement prescribed by RBI; or

ii. the impact of such payment results in the issuer's CRAR falling below or remaining below the minimum regulatory requirement prescribed by Reserve Bank of India;

As these securities are perpetual in nature and the Company does not have any redemption obligation, these have been classified as equity.

Note 22C
Equity Component of Compound Financial Instrument

(₹ In lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Authorised				
Preference shares of Rs.100 each	80,000,000	800,00.00	80,000,000	800,00.00
		800,00.00		**800,00.00**
Issued, Subscribed and Fully Paid up				
Equity portion of cumulative, non-participating Compulsorily convertible preference share (CCPS) of ₹. 100 each	53,800,000	286,11.44	53,800,000	286,11.44
Equity portion of non-cumulative, non- participating Compulsorily convertible preference share (CCPS) of ₹. 100 each	18,500,000	185,00.00	18,500,000	185,00.00
Total	**72,300,000**	**471,11.44**	**72,300,000**	**471,11.44**

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

(₹ In lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	72,300,000	471,11.44	72,300,000	471,11.44
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	**72,300,000**	**471,11.44**	**72,300,000**	**471,11,44**

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

(₹ In lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
TMF Holdings Limited	56,000,000	77.46	33,500,000	46.33

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

(₹ In lakhs)

Particulars	As at March 31, 2021		As at April 31, 2020	
	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	56,000,000	77.46	33,500,000	46.33
Kotal Mahindra Prime Limited	5,000,000	6.92	5,000,000	6.92
Aditya Birla Finance Limited	-	-	10,000,000	13.83

d) Terms / rights attached to preference shares:

The holders of the CCPS are entitled for dividend 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. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.

e) Information regarding issue of shares in the last 5 years:

(i) The Company has not issued any shares without payment being received in cash.
(ii) The Company has not issued any bonus shares.
(iii) The Company has not undertaken any buy-back of shares.

Conversion details for Compulsorily convertible preference share (CCPS) is as follows-

Particulars	Nominal Value	Conversion Date	Conversion Ratio	Potential no. of equity shares on conversion
8.2% Cumulative, non-participating Compulsorily convertible preference share (CCPS) of Rs. 100 each	225,00.00	31-Mar-24	2.89 : 1	7,785,467
8.2% Cumulative, non-participating Compulsorily convertible preference share (CCPS) of Rs. 100 each	150,00.00	31-Mar-25	3.175 : 1	4,724,409
10% Cumulative, non-participating Compulsorily convertible preference share (CCPS) of Rs. 100 each	163,00.00	12-Jun-25	3.175 : 1	5,133,858
10% Non-cumulative, non-participating Compulsorily convertible preference share (CCPS) of Rs. 100 each	185,00.00	18-Sep-25	3.175 : 1	5,826,772

f) Distributions

The Board of Directors has recommended a final dividend of ₹ 8.2 per Cumulative, non-participating Compulsorily Convertible Preference shares (CCPS) of ₹ 100 each (8.2 %), ₹ 10 per Cumulative, non-participating Compulsorily Convertible Preference shares (CCPS) of ₹ 100 each (10%) and ₹ 10 per Non Cumulative, non-participating Compulsorily Convertible Preference shares (CCPS) of ₹ 100 each (10%), subject to approval of the members of the company at the forthcoming annual general meeting.

Note 22D

(I) Other Components of Equity

(1) The movement of Equity instruments through Other Comprehensive Income (OCI) is as follows :-

(₹ In lakhs)

Particulars	Year endnd March 31, 2021	Year endnd March 31, 2020
Balance at the beginning of the year	**(24.70)**	**17,02.31**
Other comprehensive income for the year	50,01.59	(17,27.01)
Income tax relating to gain/loss arising on other comprehensive income where applicable	-	-
Profit on sale of equity investment reclassified to retained earnings	-	-
Balance at the end of the year	**49,76.90**	**(24.70)**

(2) The movement of Hedging Reserve is as follows :-

(₹ In lakhs)

Particulars	Year endnd March 31, 2021	Year endnd March 31, 2020
Balance at the beginning of the year	**(49,33.86)**	**-**
Gain/(loss) recognised on cash flow hedges	(16,64.18)	71,27.48
Gain/(loss) reclassified to profit or loss	14,91.68	(120,61.34)
Balance at the end of the year	**(51,06.36)**	**(49,33.86)**

(3) The movement of Hedging Reserve is as follows :-

(₹ In lakhs)

Particulars	Year endnd March 31, 2021	Year endnd March 31, 2020
Balance at the beginning of the year	**1,68.63**	**(3,77.10)**
Gain/(loss) recognised on cash flow hedges - Gain/(loss)	(17,62.19)	9,53.52
Gain/(loss) reclassified to profit or loss	16,69.57	(4,07.79)
Balance at the end of the year	**76.01**	**1,68.63**

(4) The movement of Debt instruments through other comprehensive income is as follows :-

(₹ In lakhs)

Particulars	Year endnd March 31, 2021	Year endnd March 31, 2020
Balance at the beginning of the year	8,862.92	-
Gain/(loss) on fair value of Debt instruments (net of ECL and tax effects)	168,14.91	88,62.92
Balance at the end of the year	**256,77.84**	**88,62.92**

(5) Summary of Other components of equity :-

(₹ In lakhs)

Particulars	Year endnd March 31, 2021	Year endnd March 31, 2020
Equity Instrument through other comprehensive income	49,76.90	(24.70)
Hedging Reserve	(51,06.36)	(49,33.86)
Cost of hedging reserve	76.01	1,68.63
Debt instruments through other comprehensive income	256,77.84	88,62.92
Total	**256,24.38**	**40,72.99**

(II) Notes to reserves

a) Special reserve

As per Section 45-IC of the 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.

c) 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.

d) 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) Debt Instruments through OCI

it represent the revaluation of debt instruments measured through OCI.

i) Hedging Reserve through OCI

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

j) Cost of hedge reserve

Fair value gain/(loss) attributable to cost of hedge on all financials instruments designated in cash flow hedge relationship are accumulated in cost of hedge reserve.

Note 23
Interest Income

(₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On Financial Assets measured at Amortised Cost		
Interest on Loans	2958,70.37	3066,48.52
Interest on deposits with Banks	92,44.90	96,35.07
Other interest Income	7,55.59	16,03.41
On Financial Assets measured of FVOCI		
Interest on Loans	413,23.87	154,48.00
Total	**3471,94.72**	**3333,35.00**

Note 24
Net gain on fair value changes

(₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net gain on financial instruments at fair value through profit or loss	119,07.34	61,03.35
Total	**119,07.34**	**61,03.35**
Fair Value changes:		
- Realised	68,35.31	81,40.71
- Unrealised	50,72.03	(20,37.36)
Total	**119,07.34**	**61,03.35**

Note 25
Other Income

(₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Support services income	131,73.10	123,46.09
Balances written back	20,55.08	33,00.15
Net gain on derecognition of property, plant and equipment	17,05.08	-
Miscellaneous Income	8,55.61	2,81.79
Total	**177,88.87**	**159,28.03**

Note 26
Finance Costs (on financial liabilities measured at amortised cost)

(₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Borrowings	1562,44.34	1631,46.89
Interest on Debt Securities	492,79.20	607,84.48
Interest on Subordinated Liabilities	181,40.82	232,25.76
Interest expense on lease liability	4,21.61	4,60.59
Other Finance Charges	3,96.85	3,59.94
Total	**2244,82.82**	**2479,77.66**

Note 27
Impairment on financial instruments and other assets

(₹ In lakhs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Loans (at amortised cost)				
-Allowance for loan losses		508,61.32		(199,13.75)
- Loans written off (net of recoveries of ₹ 69,34.81 lakhs for the year ended March 31, 2021; ₹ 81,58.88 lakhs for year ended March 31, 2020)	292,09.45		810,28.05	
Less: Delinquency support	(2,80.51)	289,28.94	(19,97.30)	790,30.75
Loans (at FVOCI)				
-Allowance for Loan Losses		54,66.81		16,88.98
Other assets				
-Allowances for doubtful assets		6,80.48		(3,70.76)
- Balance written off		9.34		3.16
Total		**859,46.89**		**604,38.38**

Note 28
Employee Benefit Expenses

(₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries	241,64.50	220,51.59
Contribution to provident and other funds	15,38.32	14,65.33
Staff welfare expenses	9,65.24	12,79.97
Total	**266,68.06**	**247,96.89**

Note 29
Other expenses

(₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent, taxes and energy costs	14,12.51	14,21.17
Repairs and maintenance	2,81.86	2,51.11
Corporate social responsibility expense	1,56.41	3,38.61
Communication Costs	5,61.87	6,67.52
Printing and stationery	1,68.82	2,33.53
Advertisement and publicity	2,38.99	3,56.33
Director's fees, allowances and expenses	1,20.50	33.10
Auditor's fees and expenses	99.97	86.16
Legal and professional charges	56,02.84	66,95.87
Credit risk & other insurance	29,14.44	32,38.19
Incentive/commission	35,49.67	50,29.32
Service provider fees	137,09.43	156,60.03
Net loss on derecognition of property, plant and equipment	-	38.23
Cenvat credit reversals	34,93.35	43,95.68
Others	52,59.32	60,40.78
Total	**375,69.98**	**444,85.63**

(i) Auditors’ remuneration (excluding taxes):

(₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditors - statutory audit	65.99	65.99
Tax audit	6.92	6.92
For other services*	23.80	67.93
Reimbursement of out of pocket expenses	3.26	6.60
Total	**99.97**	**1,47.44**

* Includes the payments made to auditors in 2019-20 of ₹ 61.28 lakhs in relation to future issuance of foreign currency Bonds which has not been recognized in Statement of Profit & Loss account.

(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 / acquisition of an asset of the Company. The prescribed CSR expenditure required to be spent in the year 2020-21 as per the Companies Act, 2013 is ₹ 106.16 lakhs (₹ 92.64 in 2019-20) in view of average net profits of the Company being ₹ 53,08.08 lakhs (2019-20 ₹ 46,31.94 lakhs) under section 198 of the Act for three immediately preceding financial years. The Board approved spent for the year 2020-21 was ₹ 1,69 lakhs (₹ 3,65 lakhs in 2019-20) and amount actually spent was ₹ 1,57 lakhs (₹ 3,24 lakhs in 2019-20). There were no CSR transactions with or contributions to any related parties listed in Note 33.

Note 30

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 the net profit attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year (including Ordinary shares that will be issued upon conversion of a mandatorily convertible instrument).

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table sets forth, for the years indicated, the computation of earnings per share.

(₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic		
Weighted average no. of equity shares outstanding	84,298,195	83,704,134
Net profit attributable to equity share holders	220,92.63	59,15.91
Basic earnings per share (Rs.)	26.21	7.07
Diluted		
Weighted average no. of equity shares outstanding	84,298,195	83,704,134
Net profit attributable to equity share holders	220,92.63	59,15.91
Diluted earnings per share (Rs.)	26.21	7.07
Face value per share (Rs.)	**100**	**100**

Note 31

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 32

Contingent liabilities and commitments :-

1. **Contingent liabilities to the extent not provided for:**

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

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
In respect of consumer disputes	35,30.65	36,00.34
In respect of bonus under the Payment of Bonus (Amendment) Act, 2015	26.15	26.15
Total	**35,56.80**	**36,26.49**

   b) **Bank guarantee for which the Company is contingently liable:**

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
In respect of guarantees given by banks for Income Tax matters	99.00	99.00

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

2.Commitments:

Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2,76.63 lakhs (as at March 31, 2020: ₹ 4,28.38 lakhs)

Other commitments

a) Loan commitment towards vehicle financing ₹ 74.38 lakhs (as at March 31, 2020: ₹ 2,10.25 lakhs)

b) Commitment for Investment ₹ Nil (as at March 31, 2020 : ₹ 1,85.86 lakhs)

Note 33

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

(B) Other Related Parties with whom transactions have taken place during the year :

(I) Fellow subsidiaries, associates and joint arrangement within the Group

Tata Motors Finance Solutions Limited

TML Business Services Limited (formerly known as 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 & Advisory Services Limited

Tata International DLT Private Limited

Tata Marcopolo Motors Limited

(II) Tata Sons and its subsidiaries and Joint arrangements

Tata Sons Private Limited

Infiniti Retail Limited

Tata Capital Financial Services Limited

Tata Capital Housing Finance Limited

Tata Consultancy Services Limited

Tata International Limited

Tata AIG General Insurance Company Limited

Tata Teleservices Limited

Tata Teleservices (Maharashtra) Limited

(III) Relatives of Key Management personnel

Ms. Sonu Mani - Non Executive Director Spouse

(iv) Post-Employment Benefit Plans

Tata Motors Finance Limited Employees Gratuity Trust

(C) Key Management personnel :

Mr. Samrat Gupta - Managing Director & Chief Executive Officer w.e.f June 17, 2020 (Chief Executive Officer upto June 16, 2020)

Mr. Anand Bang - Chief Financial Officer (upto July 31, 2020)
Ms. Ridhi Gangar-Chief Financial Officer (w.e.f August 01, 2020)
Mr. Nasser Munjee - Chairman & Independent Director (Non-Executive Director upto March 02, 2020)
Ms. Vedika Bhandarkar - Independent Director
Mr. Hoshang Sinor - Independent Director (upto December 05, 2019)
Mr. P. D. Karkaria - Independent Director (upto March 31, 2020)
Mr. P. S. Jayakumar - Independent Director (w.e.f July 10, 2020)
Mr. P. B. Balaji - Non-Executive Director
Mr. Shyam Mani - Non Executive Director
Mr. Mayank Pareek - Non-Executive Director (upto June 24, 2020)
Mr. Girish Wagh - Non-Executive Director (upto June 22, 2020)

(II) Transactions/Balances with Related parties

The following table summarizes related-party transactions for the year ended March 31, 2021 and balances as at March 31, 2021

(₹ In lakhs)

Particulars	Ultimate Holding Company	Holding Company	Other Related Parties	Total
a) Transactions during the year				
Income related to financing activities	165,83.71	-	-	**165,83.71**
Interest income on loans and investments	32.75	7,47.04	8.55	**7,88.34**
Dividend income			2.42	**2.42**
Rent Income	2.13	-	96.54	**98.67**
Service charges income	88.50	90.70	90,61.55	**92,40.75**
Interest income on loans advanced to dealers of TML	8,75.37	-	-	**8,75.37**
Amount received towards reimbursement of expenses			30.65	**30.65**
Expenses for other services (incl. reimbursement of expenses)	1,81.53	2,81.30	26,30.08	**30,92.90**
Interest Expenses	-	63,07.32	69.78	**63,77.10**
Rent Expenses (refer note (i))	29.95	7,87.95	-	**8,17.89**
Dividend paid		18,50.00	-	**18,50.00**
Other Expenses	-	-	9,26.15	**9,26.15**
Purchase of fixed assets	2,83.64	-	7,66.36	**10,50.00**
Sale of fixed assets	17.04	-	-	**17.04**
Recoveries from employee benefit trust	-	-	3,46.25	**3,46.25**
Contributions paid to employee benefit trust	-	-	94.30	**94.30**
Loans and advances given	-	1435,00.00	20,00.00	**1455,00.00**
Loans and advances recovered	-	1675,00.00	20,00.00	**1695,00.00**
Loans and advances taken / availed	-	-	40,00.00	**40,00.00**
Loans and advances repaid	-	-	40,00.00	**40,00.00**
b) Balances as at				**Total**
Other Receivables	37,30.89	-	25.60	**37,56.49**
Payables - Borrowings & debt securities	-	647,00.00	5,00.00	**652,00.00**
Other Payables	-	31,51.30	70,85.26	**102,36.56**

The following table summarizes related-party transactions for the year ended March 31, 2020 and balances as at March 31, 2020

(₹ In lakhs)

Transactions	Ultimate Holding Company	Holding Company	Other Related Parties	Total
a) Transactions during the year				
Income related to financing activities	450,82.47	-	-	**450,82.47**
Interest income on loans and investments	35.98	13,53.20	2,54.59	**16,43.77**
Dividend income	-	-	3,60.42	**3,60.42**
Rent Income	1,22.93	-	2,04.11	**3,27.04**
Other Income	1,10.63	-	-	**1,10.63**
Amount received towards reimbursement of expenses	2.39	-	39.04	**41.43**
Service charges income	-	91.89	78,16.02	**79,07.91**
Expenses for other services (incl. reimbursement of expenses)	1,74.01	-	36,46.42	**38,20.43**
Interest Expenses	-	59,08.76	55.00	**59,63.76**
Rent Expenses	29.93	5,59.61	-	**5,89.54**
Dividend paid	-	77,32.04	1,10.23	**78,42.27**
Other expenses	-	-	2,22.34	**2,22.34**
Purchase of fixed assets	31,71.47	-	3,21.42	**34,92.89**
Loans and advances given	-	1860,00.00	350,00.00	**2210,00.00**
Loans and advances recovered	-	1620,00.00	350,00.00	**1970,00.00**
Recoveries from employee benefit trust	-	-	5,36.04	**5,36.04**
Proceeds against investments	-	-	4,49.98	**4,49.98**
Issue of share capital (including share premium)	-	150,00.00	-	**150,00.00**
Debt proceeds	-	300,00.00	-	**300,00.00**
b) Balances as at				**Total**
Receivable - loans and Advances	-	240,00.00	-	**240,00.00**
Other Receivables	160,38.13	-	1,23.98	**161,62.11**
Payables - Borrowings & debt securities	-	650,00.00	5,00.00	**655,00.00**
Other Payables	-	31,58.88	4,43.53	**36,02.41**

Note (i) : Company has entered into various lease rent agreement with Ultimate Holding Company as a lessee which meets the Lease definition as per Ind AS 116. Accordingly, the Company has recognized the Right of use assets and corresponding lease liability on date of transition i.e April 01, 2019. Rent expenses includes ₹ 26.04 lakhs (₹ 24.98 lakhs for year ended March 31, 2020) which has been adjusted against the outstanding lease liability in accordance with Ind AS 116.

Details of Significant transactions are given below:

(₹ In lakhs)

Nature of Transaction	Name of Related Party	Nature of relationship	For the year ended March 31, 2021	For the year ended March 31, 2020
Service charges income	Tata Motors Finance Solutions Limited	Fellow subsidiaries, associates and Joint arrangements within the Group	32,67.05	29,58.32
Loans and advances taken / availed	Tata Motors Finance Solutions Limited	Fellow subsidiaries, associates and Joint arrangements within the Group	40,00.00	-
Loans and advances repaid	Tata Motors Finance Solutions Limited	Fellow subsidiaries, associates and Joint arrangements within the Group	40,00.00	-
Loans and advances given	Tata Motors Finance Solutions Limited	Fellow subsidiaries, associates and Joint arrangements within the Group	20,00.00	350,00.00
Loans and advances recovered	Tata Motors Finance Solutions Limited	Fellow subsidiaries, associates and Joint arrangements within the Group	20,00.00	350,00.00
Purchase of fixed assets	Tata Marcopolo Motors Limited	Fellow subsidiaries, associates and Joint arrangements within the Group	7,60.00	-
Expenses for other services (incl. reimbursement of expenses)	Tata Consultancy Services Limited	Tata Sons and its subsidiaries and joint arrangements	20,31.35	30,57.85

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.

Transactions and balances with Key Management personnel and their relatives (₹ In lakhs)

a) Transactions during the year	For year ended March 31, 2021	For year ended March 31, 2020
Interest paid on unsecured perpetual debentures	4.54	4.54
Repayment of Perpetual debentures	10.00	-
b) Balances as at	**For year ended March 31, 2021**	**For year ended March 31, 2020**
Net payable - Unsecured perpetual debentures	30.00	40.00

(c) Key management personnel remuneration (₹ In lakhs)

Particulars	For year ended March 31, 2021	For year ended March 31, 2020
Short term employee benefits (refer notes below)	4,73.70	6,68.29

(i) 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.

(ii) Includes sitting fees paid to independent directors ₹ 60.50 lakhs and ₹ 33.10 lakhs for the year ended March 31, 2021 and March 31, 2020 respectively.

Notes 34

Employee benefit obligations

a) Defined contribution plans

Superannuation fund

The Company makes contribution towards superannuation fund, a defined contribution retirement plan for qualifying employees. The Superannuation Fund is administered by the Trustees of the Tata Motors Limited Superannuation Fund. The Company is liable to pay to the superannuation fund to the extent of the amount contributed. The Company recognise such contribution as an expense in the year of contribution.

The amounts contributed in current year of ₹ 93.34 lakhs (previous year ₹ 1,05.25 lakhs) has been recognised in the Statement of Profit and Loss.

b) Defined benefit plans

Provident fund

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

Given the prescribed investment pattern, most investment of provident fund’ have historically been in debt securities, which were giving secure returns. With a ratings downgrade and potential bond default of some of the biggest companies, the total liability principal and interest guarantee has been actuarially valued as a defined benefit.

The amounts contributed in current year towards provident fund ₹ 5,86.57 lakhs (previous year ₹ 5,70.72 lakhs) and towards pension fund ₹ 3,76.55 (previous year ₹ 3,32.61 lakhs) has been recognised in the Statement of Profit and Loss. Contribution towards provident fund of ₹ 2,43.90 lakhs (previous year ₹ 16.46 lakhs) has been recognized in Other Comprehensive Income.

The following tables set out the funded status of the defined benefit provident fund plan and the amounts recognized in the Company's financial statements as at March 31, 2021.

(₹ In lakhs)

Changes in benefit obligations	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation, at the beginning	142,87.19	128,04.95
Service cost	5,75.61	5,93.91
Employee Contribution	11,19.93	11,88.65
Acquisitions (credit) / loss	(1,93.46)	(24.61)
Interest expense	12,27.61	10,97.81
Actuarial (gain) /losses arising from changes in experience adjustments on plan liabilities	1,38.74	10.12
Benefits paid	(7,05.43)	(13,83.64)
Defined benefit obligation at the end	**164,50.19**	**142,87.19**

(₹ In lakhs)

Changes in plan assets	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning	145,20.08	128,64.38
Acquisition Adjustment	(1,93.46)	(24.61)
Interest income	12,16.65	11,21.00
Return on plan assets excluding amounts included in interest income	(3,38.05)	1,67.12
Contributions (employer and employee)	16,88.57	17,75.83
Benefits paid	(7,05.43)	(13,83.64)
Fair value of plan assets at the end	**161,88.36**	**145,20.08**

(₹ In lakhs)

Amount recognised in balance sheet consists of:	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	164,50.19	142,87.19
Fair value of plan assets	161,88.36	145,20.08
Effect of asset ceiling	-	(2,32.89)
Net Liability	**(2,61.83)**	**-**

(₹ In lakhs)

Amount recognised in the Statement of Profit and Loss:	As at March 31, 2021	As at March 31, 2020
Current Service Cost – Employer	5,75.61	5,93.91
Net interest on net defined benefit liability / (asset)	10.96	(23.19)
Cost recognized in P & L	**5,86.57**	**5,70.72**

(₹ In lakhs)

Amount recognised in Other Comprehensive Income (OCI) :	As at March 31, 2021	As at March 31, 2020
Actuarial (gain)/loss due to DBO experience	0.18	10.12
Actuarial (gain)/loss due to DBO assumption changes	1,38.56	-
Actuarial (gain)/loss arising during period	1,38.74	10.12
Return on plan assets (greater)/less than discount rate	3,38.05	(1,67.12)
Actuarial (gains)/losses recognized in OCI	**4,76.79**	**(1,57.00)**
Adjustment for limit on net asset	(2,32.89)	1,73.46
Cumulative Actuarial (Gain) or Loss Recognized via OCI at Current Period End	**2,43.90**	**16.46**

The assumptions used in determining the present value obligation of the provident fund is set out below:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	6.90%
Expected rate of return on plan assets	8.50%	8.60%
Remaining term to maturity of portfolio	13 years	14 years

The breakup of the plan assets into various categories is as follows:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Central and State government bonds	44.81%	46.18%
Public sector undertakings and Private sector bonds	33.64%	34.74%
Equity shares of listed Companies	4.35%	3.44%
Cash (including Special Deposits)	14.38%	12.95%
Others	2.81%	2.69%
Total	**100.00%**	**100.00%**

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2021, the defined benefit obligation would be affected by approximately ₹ 5,27.85 (₹ 5,61.86 lakhs as on March 31,2020) lakhs on account of a 0.50% decrease in the expected rate of return on plan assets. the defined benefit obligation would be affected by approximately ₹ 2,87.92 (₹ NIL as on March 31,2020) lakhs on account of a 0.50% increase in the expected rate of return on plan assets.

Gratuity

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

(₹ In lakhs)

a) Changes in defined benefit obligations	As at March 31	
	2021	2020
Defined benefit obligation, beginning of the year	37,98.36	39,08.24
Current service cost	3,66.19	4,04.65
Interest cost	2,50.84	2,79.52
Remeasurement (gains) / losses		
Actuarial (gain) /losses arising from change in financial assumptions	-	(90.31)
Actuarial (gain) /losses arising from change in demographic assumptions	-	(41.47)
Actuarial (gain) /losses arising from change in experience adjustments	1,14.67	(1,06.00)
Transfer between Subsidiaries		
Benefits paid from plan assets	(3,26.02)	(5,56.27)
Defined benefit obligation, end of the year	**42,04.04**	**37,98.36**

(₹ In lakhs)

b) Changes in plan assets	As at March 31	
	2021	2020
Fair value of plan assets, beginning of the year	37,04.06	39,80.46
Interest income of plan asstes	2,47.62	2,85.08
Remeasurement (gains) / losses		
Return on plan assets, (excluding amount included in net Interest expense)	1.54	(5.21)
Transfer in/(out) of assets	-	-
Employer's contribution	95.39	-
Benefits paid	(3,26.02)	(5,56.27)
Fair value of plan assets, end of the year	**37,22.59**	**37,04.06**

(₹ In lakhs)

c) Amount recognised in balance sheet consists of:	As at March 31	
	2021	2020
Present value of defined benefit obligation	(42,04.04)	(37,98.36)
Fair value of plan assets	37,22.59	37,04.06
Net Assets/ (Liability)	**(481.45)**	**(94.30)**

(₹ In lakhs)

d) Amount recognised in the Statement of Profit and Loss:	As at March 31	
	2021	2020
Current Service Cost	3,66.19	4,04.65
Interest on Defined Benefit Obligations (Net)	3.22	(5.56)
Net Charge to the Statement of Profit and Loss	**3,69.41**	**3,99.09**

(₹ In lakhs)

e) Amount recognised in Other Comprehensive Income(OCI) for the year:	As at March 31	
	2021	2020
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/(income)	(1.54)	5.21
Actuarial gains/(losses) arising from changes in demographic assumptions	-	(41.47)
Actuarial gains/(losses) arising from changes in financial assumptions	-	(90.31)
Actuarial gains/(losses) arising from changes in experience adjustments	1,14.67	(1,06.00)
Net impact on the other comprehensive income before tax	**1,13.13**	**(2,32.57)**

(₹ In lakhs)

f) The fair value of Company's Gratuity plan asset by category	As at March 31, 2021	As at March 31, 2020
Asset Category		
- Government securities (quoted)	-	-
- Debt instruments (quoted)	-	-
- Debt instruments (unquoted)	-	-
- Equity shares (quoted)	-	-
- Insurer Managed Funds (unquoted)	100%	100%

(₹ In lakhs)

g) The assumptions used in accounting for the gratuity plans are set out below:	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	6.90%
Expected return on plan assets	6.90%	6.90%
Salary Escalation rate	7.00%	6% first year and 7% thereafter
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, 2021	As at March 31, 2020
Within next 12 months (next annual reporting period)	3,33.38	3,81.43
Between 1 and 5 years	19,90.89	16,95.44
Between 5 and 9 years	30,96.59	28,20.30
10 years and above	-	-

(₹ In lakhs)

i) Quantitative sensitivity analysis for significant assumptions:	As at March 31, 2021	As at March 31, 2020
100 bps increase in discount rate	(2,88.65)	(2,62.24)
100 bps decrease in discount rate	3,26.85	2,97.17
100 bps increase in salary escalation rate	3,23.74	2,94.67
100 bps decrease in salary escalation rate	(2,91.29)	(2,64.92)

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, 2021	As at March 31, 2020
The weighted average duration of the defined benefit obligation	7.58 years	7.57 years

(₹ In lakhs)

k) The best estimate of the expected Contribution for the next year:	As As at March 31, 2021
The Company expected contribution to the funded gratuity plans in FY 2021-22	3,33.38

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.

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 35A

Asset Liability Maturity Pattern of certain items of assets and liabilities

(₹ In lakhs)

S. No.	Particulars	Period	1 to 7 days	8 to 14 days	15 days to 30/ 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 month & 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
1	Deposits	March 31, 2021	47.96	-	2,76.11	-	-	-	474,56.33	423,93.72	85,96.29	-	987,70.41
		March 31, 2020	43,09.65	-	-	18,00.71	242,83.62	180,52.91	788,84.79	14,07.00	-	-	1287,38.68
2	Advances	March 31, 2021	59,84.92	-	631,44.13	1039,76.12	939,79.82	2115,86.41	4934,30.01	13890,73.83	4934,70.54	1501,70.53	30048,16.33
		March 31, 2020	-	150,79.45	438,59.69	284,01.81	450,79.34	2132,38.00	5023,59.29	12129,61.14	4835,10.79	1912,43.19	27357,32.70
3	Investments	March 31, 2021	-	-	-	-	-	-	-	-	-	242,32.83	242,32.83
		March 31, 2020	-	-	-	-	-	-	-	-	-	139,73.35	139,73.35
4	Borrowings from banks / financial institutions	March 31, 2021	25,00.00	116,68.00	43,74.76	71,74.06	788,89.54	1070,69.43	6930,09.99	7627,03.76	1790,88.83	-	18464,78.35
		March 31, 2020	14,28.57	199,47.31	28,08.42	14,41.08	284,64.17	569,36.29	4297,44.79	5834,14.70	3455,25.09	-	14697,10.44
5	Market borrowings	March 31, 2021	20,00.00	106,74.60	757,93.94	1213,10.24	932,69.13	1952,91.18	2984,17.67	3516,23.97	340,73.74	799,38.98	12623,93.44
		March 31, 2020	-	466,34.42	1866,90.04	2052,43.81	1746,24.24	1196,51.70	1195,96.01	2774,79.28	708,50.05	814,26.35	12821,95.91

Notes:

1 Deposit is in the form of Fixed Deposits with Banks

2 Cash Credit and WCDL are shown in 6 months to 1 Year time bucket as per RBI guidelines

3 Market Borrowings includes Non convertible Debentures, Liability component of compound financial instruments, Commercial papers other than those subscribed by banks and Collateralised Debt Obligations

Note 35B

Capital to Risk Assets Ratio (CRAR)

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

(₹ In lakhs)

S.No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	CRAR (%)	19.36%	16.85%
2	CRAR - Tier I capital (%)	13.17%	12.87%
3	CRAR - Tier II capital (%)	6.19%	3.98%
4	Amount of subordinated debt raised as Tier-II capital	-	300,00.00
5	Amount raised by issue of Perpetual Debt Instruments	713,00.00	250,00.00

Note 35C

Perpetual debt Instruments

(₹ In lakhs)

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Funds raised through perpetual debt instruments	713,00.00	250,00.00
2	Amount outstanding at the end of year	963,00.00	625,30.00
3	Percentage of amount of perpetual debt instrument of the amount of Tier I Capital*	26.80%	17.70%
4	Financial year in which interest on perpetual debt instruments is not paid on account of 'Lock-in Clause'	NIL	NIL

*Before adjusting securitization exposure

Note 35D

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

(₹ In lakhs)

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	No. of special purpose vehicles (SPVs) sponsored by the Company for securitisation transactions	16	17
2	Total amount of securitised assets as per books of the SVPs sponsored by the Company (as certified by the SPV's auditors)	2426,51.75	4002,66.21
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	545,99.23	481,82.06
	Others	78,26.41	129,69.08

(₹ In lakhs)

4	Amount of exposures to securitisation transactions other than MRR		
	a. Off-balance sheet exposures		
	i) Exposures to own securitizations		
	First loss	-	-
	Bank Guarantee	93,59.31	135,30.46
	Excess Interest Spread	59,84.82	107,36.20
	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)	121,94.64	263,92.76
	Others	-	-
	ii) Exposures to third party securitizations		
	First loss	-	-
	Others	-	-

The above information is based on information submitted by the SPVs, which is duly certified 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, 2021	March 31, 2020
1	No. of contracts assigned during the year	37,037	58,911
2	Aggregate value (net of provisions) of accounts sold*	2790,24.09	5042,09.45
3	Aggregate consideration	2790,24.09	5042,09.45
4	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5	Aggregate gain / loss over net book value	-	-

*represents the carrying value of portfolios sold out of loans classified as amortised cost

Note 35E

Disclosure of restructured advances

(₹ In lakhs)

Sr. No.	Type of Restructuring =>		Others				
	Asset Classification =>		Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April 1, 2020 [opening figures]	No. of Borrowers	-	3.00	6.00	-	9.00
		Amount Outstanding	-	1,14.52	58.82	-	1,73.34
		Provision Amount	-	6.01	3.83	-	9.83
2	Fresh restructuring during the year 2020 - 2021	No. of Borrowers	-	29.00	1,05.00	-	1,34.00
		Amount Outstanding	-	17,70.90	33,89.84	-	51,60.74
		Provision Amount	-	3,64.65	7,90.79	-	11,55.44
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	(1.00)	(1.00)	-	(2.00)
		Amount Outstanding	-	(1,04.42)	(6.62)	-	(1,11.04)
		Provision Amount	-	(5.43)	(0.53)	-	(5.96)
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	2.00	-	-	-	2.00
		Amount Outstanding	53.88	-	-	-	53.88
		Provision Amount	4.48	-	-	-	4.48
5	Down gradations of restructured accounts during the financial year	No. of Borrowers	-	(2.00)	2.00	-	-
		Amount Outstanding	-	(10.09)	7.98	-	(2.11)
		Provision Amount	-	(0.57)	2.94	-	2.36
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	-	(1.00)	-	(1.00)
		Amount Outstanding	-	-	(7.57)	-	(7.57)
		Provision Amount	-	-	(0.76)	-	(0.76)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	-	-	(2.00)	-	(2.00)
		Amount Outstanding	-	-	(44.50)	-	(44.50)
		Provision Amount	-	-	(2.50)	-	(2.50)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2021 [closing figures]	No. of Borrowers	2.00	29.00	1,09.00	-	1,40.00
		Amount Outstanding	53.88	17,70.90	33,97.95	-	52,22.73
		Provision Amount	4.48	3,64.65	7,93.76	-	11,62.89

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 2019-20 (₹ In lakhs)

Sr. No.	Type of Restructuring =>		Others				
	Asset Classification =>		Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on April 1, 2019 [opening 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
2	Fresh restructuring during the year 2019 – 2020	No. of Borrowers	-	2.00	-	-	2.00
		Amount Outstanding	-	10.09	-	-	10.09
		Provision Amount	-	0.57	-	-	0.57
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	(2.00)	(1.00)	-	(3.00)
		Amount Outstanding	-	(1,28.61)	(4.78)	-	(1,33.39)
		Provision Amount	-	(7.24)	(0.27)	-	(7.51)
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	-	(1.00)	1.00	-	-
		Amount Outstanding	-	(8.35)	7.57	-	(0.77)
		Provision Amount	-	(0.47)	0.76	-	0.29
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	-	(3.00)	-	(3.00)
		Amount Outstanding	-	-	(2,21.02)	-	(2,21.02)
		Provision Amount	-	-	(1,28.04)	-	(1,28.04)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	-	-	(3.00)	-	(3.00)
		Amount Outstanding	-	(31.99)	(1,88.67)	-	(2,20.66)
		Provision Amount	-	(2.56)	(88.36)	-	(90.92)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2020 [closing figures]	No. of Borrowers	-	3.00	6.00	-	9.00
		Amount Outstanding	-	1,14.52	58.82	-	1,73.34
		Provision Amount	-	6.01	3.83	-	9.83

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

Note 35F

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, 2021	For the year ended March 31, 2020
1	Provision for doubtful loans and advances (others)	6,80.48	(3,70.76)
2	Provision for doubtful Loans	563,28.13	(182,24.77)
3	Provision made towards income tax	(30,56.60)	(29,94.73)
4	Provision on consumer disputes	(47.65)	(1,82.35)

Note 35G

Investments

(₹ In lakhs)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	**Value of investments**		
(i)	Gross value of investments		
(a)	In India	242,32.84	139,73.35
(b)	Outside India	-	-
(ii)	Provision for depreciation		
(a)	In India	-	-
(b)	Outside India	-	-
(iii)	Net value of investments		
(a)	In India	242,32.84	139,73.35
(b)	Outside India	-	-
2	**Movement of provisions held towards depreciation of investments**		
(i)	Opening balance	-	-
(ii)	Add: Provisions made during the year	-	-
(iii)	Less: Utilised	-	-
(iv)	Closing balance	-	-

Note 35H
Capital Market

(₹ In lakhs)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
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;	347,27.40	236,76.48
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	financing to stockbrokers for margin trading;		-
9	all exposures to Venture Capital Funds (both registered and unregistered)	8,66.95	11,06.86
		355,94.34	**247,83.35**

Note 35I
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	Year ended	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-21	CRISIL AA-/ STABLE	CRISIL A1+	CRISIL AA-/ STABLE	CRISIL AA-/ STABLE	CRISIL A1+	CRISIL A/ STABLE
		31-Mar-20	CRISIL AA-/ NEGATIVE	CRISIL A1+	CRISIL AA-/ NEGATIVE	CRISIL AA-/ NEGATIVE	CRISIL A1+	CRISIL A/ NEGATIVE
2	ICRA	31-Mar-21	ICRA AA -/ STABLE	ICRA A1+	ICRA AA -/ STABLE	ICRA AA -/ STABLE	ICRA A1+	ICRA A/ STABLE
		31-Mar-20	ICRA AA-/ NEGATIVE	ICRA A1+	ICRA AA- / NEGATIVE	ICRA AA- / NEGATIVE	ICRA A1 +	ICRA A/ NEGATIVE
3	CARE	31-Mar-21	CARE AA- / STABLE	N.A	CARE AA-/ STABLE	CARE AA-/ STABLE	CARE A1+	CARE A/ STABLE
		31-Mar-20	CARE AA-/ NEGATIVE	N.A	CARE AA-/ NEGATIVE	CARE AA-/ NEGATIVE	CARE A1+	CARE A/ NEGATIVE

Note 35J

Details of financing of parent company's products

(₹ In lakhs)

S. No.	Particulars	As at March 31, 2021		As at March 31, 2020	
		No's	Amount	No's	Amount
1	Commercial vehicle#	134,537	9424,51.00	111,391	10632,96.00
2	Passenger vehicle#	23,653	1366,56.00	26,520	1818,11.00

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

Note 35K

Concentration of advances

(₹ In lakhs)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total advances to twenty largest borrowers / customer	666,06.40	860,59.55
2	Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	2.13%	3.10%

Note 35L

Concentration of exposures

(₹ In lakhs)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total exposure to twenty largest borrowers / customer	666,06.40	860,59.55
2	Percentage of exposures to twenty largest borrowers / customer to total exposure of the NBFC on borrowers / customer	2.13%	3.10%

Note 35M

Concentration of NPAs

(₹ In lakhs)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total exposure to top four NPA accounts	46,98.15	14,41.04

Note 35N

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

S. No.	Sector	As at March 31, 2021	As at March 31, 2020
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	0.03%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	5.76%	6.02%
7	Other personal loans	-	-

Notes:

A. Percentage of Gross NPA to total advances at company level as per RBI regulations for current and comparative years are as below :- March 31, 2021 : 5.61%, March 31, 2020 : 5.89%

Note 35O

Customer complaints

(Numbers)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of complaints pending at the beginning of the year	228	284
2	No of complaints received during the year*	5,740	5,718
3	No of complaints redressed during the year	5,799	5,774
4	No of complaints pending at the end of the year	169	228

*complaints include legal cases lodged

Note 35P

Movement of NPAs

(₹ In lakhs)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	**Net NPAs to net advances**	3.97%	5.10%
2	**Movement of NPAs (Gross)**		
(i)	Opening balances	1636,27.74	1013,56.72
(ii)	Additions during the year	818,91.24	1467,57.03
(iii)	Reductions during the year	706,79.31	844,86.01
(iv)	Closing balances	1748,39.68	1636,27.74
3	**Movement of Net NPAs**		
(i)	Opening balances	1405,48.76	569,87.95
(ii)	Additions during the year	292,23.25	1076,11.99
(iii)	Reductions during the year	481,75.81	240,51.18
(iv)	Closing balances	1215,96.20	1405,48.76

(₹ In lakhs)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
4	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(i)	Opening balances	230,78.98	443,68.77
(ii)	Provision made during the year	526,67.99	391,45.04
(iii)	Write-off / write -back of excess provisions	225,03.49	604,34.83
(iv)	Closing balances	532,43.48	230,78.98

Note 35Q

Forward Rate Agreement / Interest Rate Swap

(₹ In lakhs)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	The notional principal of swap agreements	2157,17.00	1957,17.00
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	69,15.47
(iii)	Collateral required by the applicable NBFC upon entering into swap	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	(14,68.25)	69,15.47

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 43 for risk management policies adopted by the Company.

Quantitative Disclosures

(₹ In lakhs)

S. No.	Particulars	March 31, 2021		March 31, 2020	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) For hedging	2157,17.00		1957,17.00	
(ii)	Marked to Market Positions				
	a) Asset (+)	26,23.53	12.41	79,13.60	27.16
	b) Liability (-)	-	(41,04.19)	-	(10,25.29)
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

Note 35R

Disclosure on Restructuring of MSME advances

RBI vide its notification DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, notification DBR.No.BP.BC.26/21.04.048/2018-19 February 22, 2019, notification DOR.No.BP.BC.34/21.04.048/2019-20 February 11, 2020 and notification DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 has allowed a one-time restructuring of existing loans to MSMEs classified as 'standard' without any downgrade in the asset classification, subject to the prescribed conditions.

The details of such restructured cases during the year is as follows:

(₹ In lakhs)

Particulars	March 31, 2021	March 31, 2020
No. of accounts restructured	32,395	107
Amount	2,770,60.96	17,75.66

Note 35S

Disclosure on liquidity risk as per RBI notification RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ In lakhs)

Sr. No.	No. of Significant Counterparties*	Amount	Percentage to Total Deposits	Percentage to Total Liabilities
1	29	26,712,69.59	NA	83%

*Represents counterparties accounting for more than 1% of total liabilities

(ii) Top 20 large deposits (amount in Rs lakhs and percentage of Total Deposits) - Not Applicable

(iii) Top 10 Borrowings

(₹ In lakhs)

Amount	% of Total Borrowings
16997,57.40	55%

(iv) Funding Concentration based on significant instrument / product

(₹ In lakhs)

Sr. No.	Name of the instrument/product	Amount	% to Total Liabilities
1	Term Loans (including External Commercial Borrowings)	13774,73.08	43%
2	Collaterised Debt Obligation (CDO)	2972,15.50	9%
3	Commercial Paper	5881,42.79	18%
4	Working Capital Demand Loan	3592,60.10	11%
5	Subordinated Debt	1654,93.18	5%
6	Non-Convertible Debentures	2453,44.90	8%
7	Cash Credit	597,45.19	2%

(v) Stock ratios

Sr. No.	Particulars	Total public funds	Total liabilities	Total assets
1	Commercial papers as a percentage of	18%	18%	16%
2	Non-convertible debentures (original maturity of less than one year) as a percentage of	none	none	none
3	Other short-term liabilities as a percentage of	36%	38%	33%

Note: Interest accrued but not due has been excluded from Borrowings/Total Public funds

(vi) Institutional set-up for liquidity risk management

Tata Motors Finance Limited (TMFL) has an Asset Liability Supervisory Committee (ALCO), a Board level Sub-committee to oversee liquidity risk management. ALCO consists of Non-Executive Director, Independent Directors, Chief Executive Officer and Group Chief Financial Officer. The ALCO meetings are held once in 3 months. TMFL has a Risk Management Committee (RMC), a sub-committee of the Board, which oversees overall risks to which the Company is exposed including liquidity risk management. ALCO's views on liquidity and asset liability management are presented to RMC for its independent review on a quarterly basis. The ALCO and RMC also updates the Board at regular intervals.

For the previous year i.e. financial year 2019-20

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ In lakhs)

Sr. No.	No. of Significant Counterparties*	Amount	Percentage to Total Deposits	Percentage to Total Liabilities
1	31	20382,24.09	NA	72%

*Represents counterparties accounting for more than 1% of total liabilities

(ii) Top 20 large deposits (amount in Rs lakhs and percentage of Total Deposits) - Not Applicable

(iii) Top 10 Borrowings

(₹ In lakhs)

Amount	% of Total Borrowings
11600,29.31	42%

(iv) Funding Concentration based on significant instrument / product

(₹ In lakhs)

Sr. No.	Name of the instrument/product	Amount	% to Total Liabilities
1	Term Loans (including External Commercial Borrowings)	11784,87.01	42%
2	Collaterised Debt Obligation (CDO)	4228,24.23	15%
3	Commercial Paper	4742,29.77	17%
4	Working Capital Demand Loan	2494,00.00	9%
5	Subordinated Debt	2014,52.33	7%
6	Non-Convertible Debentures	1886,94.91	7%

(v) Stock ratios

Sr. No.	Particulars	Total public funds	Total liabilities	Total assets
1	Commercial papers as a percentage of	16%	17%	15%
2	Non-convertible debentures (original maturity of less than one year) as a percentage of	none	none	none
3	Other short-term liabilities as a percentage of	34%	35%	31%

Note: Interest accrued but not due has been excluded from Borrowings/Total Public funds

(vi) Institutional set-up for liquidity risk management

Tata Motors Finance Limited (TMFL) has an Asset Liability Supervisory Committee (ALCO), a Board level Sub-committee to oversee liquidity risk management. ALCO consists of Non-Executive Director, Independent Directors, Chief Executive Officer and Group Chief Financial Officer. The ALCO meetings are held once in 3 months. TMFL has a Risk Management Committee (RMC), a sub-committee of the Board, which oversees overall risks to which the Company is exposed including liquidity risk management. ALCO's views on liquidity and asset liability management are presented to RMC for its independent review on a quarterly basis. The ALCO and RMC also updates the Board at regular intervals.

Note 35T

COVID19 Regulatory Package - Asset Classification and Provisioning in terms of RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020*

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020*
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3;	5115,81.69	6858,56.35
(ii) Respective amount where asset classification benefits is extended.	Nil	1056,14.66
(iii) Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5;	NA	NA
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	NA	NA

* Based on the confirmations received upto May 09, 2020

COVID19 Regulatory Package - Asset Classification and Provisioning in terms of RBI circular DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021

Particulars	Amount
Aggregate amount to be refunded/adjusted	4,87.83

The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021.

Note 35U

Disclosure on Asset Classification and Provisions as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020

(₹ In lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7= 4-6
Performing Asset						
Standard Asset	Stage-1	23858,98.85	131,77.73	23727,21.12	88,15.73	43,62.00
	Stage-2	5612,07.05	491,97.35	5120,09.70	152,65.44	339,31.91
Subtotal		**29471,05.89**	**623,75.08**	**28847,30.82**	**240,81.17**	**382,93.91**
Non-Performing Asset (NPA)						
- **Sub Standard**	Stage-3	733,41.65	216,71.19	516,70.45	81,06.41	135,64.78
- Doubtful up to 1 Year	Stage-3	907,84.11	245,90.19	661,93.93	599,44.28	(353,54.10)
1 to 3 Years	Stage-3	95,68.01	66,81.48	28,86.53	72,18.35	(5,36.87)
More than 3 Years	Stage-3	11,45.91	3,00.62	8,45.29	9,63.79	(6,63.17)
Subtotal of Doubtful		**1014,98.04**	**315,72.28**	**699,25.75**	**681,26.42**	**(365,54.13)**
Loss	Stage-3	-	-	-	-	-
Subtotal of NPA		**1748,39.68**	**532,43.47**	**1215,96.20**	**762,32.83**	**(229,89.35)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1	78.78	0.38	78.40	-	0.38
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		**78.78**	**0.38**	**78.40**	**-**	**0.38**
TOTAL	Stage-1	23859,77.62	131,78.11	23727,99.52	88,15.73	43,62.38
	Stage-2	5612,07.05	491,97.35	5120,09.70	152,65.44	339,31.91
	Stage-3	1748,39.68	532,43.47	1215,96.20	762,32.83	(229,89.35)
		31220,24.35	**1156,18.93**	**30064,05.42**	**1003,14.00**	**153,04.94**

In terms of requirement of RBI notification no. mentioned above on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reverse for any short fall in impairment allowance under Ind AS 109 and income Recognition and Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The Impairment allowance under Ind AS 109 made by the company exceeds the total provision required under IRACP (Including standard assets provisioning), as at March 31, 2021 and accordingly, no amount is required to be transferred to impairment reverse.

For the previous year i.e. financial year 2019-20

(₹ In lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7= 4-6
Performing Asset						
Standard Asset	Stage-1	22760,15.69	132,40.80	22627,74.89	91,04.06	41,36.74
	Stage-2	3545,85.36	221,75.36	3324,10.00	14,18.34	207,57.02
Subtotal		**26306,01.05**	**354,16.16**	**25951,84.89**	**105,22.40**	**248,93.76**
Non-Performing Asset (NPA)						
- **Sub Standard**	Stage-3	1465,51.48	214,58.73	1250,92.75	140,66.79	73,91.94
- Doubtful up to 1 Year	Stage-3	151,46.10	12,64.88	138,81.21	41,69.93	(29,05.05)
1 to 3 Years	Stage-3	8,65.90	1,97.59	6,68.31	5,10.96	(3,13.37)
More than 3 Years	Stage-3	10,64.26	1,57.77	9,06.49	8,85.60	(7,27.83)
Subtotal of Doubtful		**170,76.26**	**16,20.24**	**154,56.01**	**55,66.49**	**(39,46.25)**
Loss	Stage-3	-	-	-	-	-
Subtotal of NPA		**1636,27.74**	**230,78.97**	**1405,48.76**	**196,33.29**	**34,45.69**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1	2,10.25	0.97	2,09.28	-	0.97
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		**2,10.25**	**0.97**	**2,09.28**	**-**	**0.97**
TOTAL	Stage-1	22762,25.94	132,41.77	22629,84.17	91,04.06	41,37.71
	Stage-2	3545,85.36	221,75.36	3324,10.00	14,18.34	207,57.02
	Stage-3	1636,27.74	230,78.97	1405,48.76	196,33.29	34,45.69
		27944,39.04	**584,96.10**	**27359,42.94**	**301,55.69**	**283,40.41**

Note 35V

Disclosure on liquidity risk as per RBI notification RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

Tata Motors Finance Limited (TMFL) has an Asset Liability Supervisory Committee (ALCO), a Board level Sub-committee to oversee liquidity risk management. ALCO consists of Non-Executive Director, Independent Directors, Chief Executive Officer and Group Chief Financial Officer. The ALCO meetings are held every quarter. TMFL has a Risk Management Committee (RMC), a sub-committee of the Board, which oversees overall risks to which the Company is exposed including liquidity risk management (LRM). ALCO's views on liquidity and asset liability management are presented to RMC for its independent review on a regular basis. The ALCO and RMC also updates the Board at regular intervals.

RBI vide circular dated November 4, 2019 has made it mandatory for NBFCs to implement Liquidity Coverage Ratio (LCR) with effect from December 1, 2020. Accordingly, the Board and ALCO has approved the Liquidity risk management policy including LCR policy. The overall Liquidity risk management of TMFL is under the guidance of the ALCO and within the overall framework of the Board approved policies. The mandated regulatory threshold as per the transition plan is embedded into the policy to ensure maintenance of adequate liquidity buffers. LCR computations are reported to ALCO and the Board for oversight and periodical review. LCR seeks to ensure that TMFL has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash promptly and immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario. As a strategy, TMFL has been maintaining callable fixed deposits and balance in current account with banks which has resulted in a high level of HQLA. TMFL follows the criteria laid down by the RBI for month-end calculation of High-Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises bank deposits and some portion of equity investments with mandated haircuts applied thereto. TMFL is funded through Commercial papers, term loans from banks, long term bonds, and foreign currency borrowings. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation. The Company assesses the impact on short term liquidity gaps dynamically under various scenarios covering business projections under normal as well as varying market conditions. Periodical reports are placed before the Company's ALCO for perusal and review. The LCR is calculated by dividing a TMFL's stock of HQLA by its total net cash outflows over a 30-day stress period.

RBI has mandated a minimum LCR of 50% from December 1, 2020 and TMFL's LCR stood at 132% for the quarter ended March 31, 2021.

Below is the quarterly summary of LCR values for financial year 2020- 2021.

No.	Particulars	Quarter ended March 31, 2021		Quarter ended December 31, 2020		Quarter ended September 30, 2020		Quarter ended June 30, 2020	
		Total Unweigh-ted Value	Total Weighte-d Value	Total Unweigh-ted Value	Total Weighte-d Value	Total Unweigh-ted Value	Total Weight-ed Value	Total Unweigh-ted Value	Total Weighte d Value
	High Quality Liquid Assets (HQLA)								
(i)	Fixed Deposits (unencumered)	8,68.88	8,68.88	7,05.11	7,05.11	6,37.19	6,37.19	7,06.72	7,06.72
(ii)	Cash & Bank Balance	2,40.37	2,40.37	1.84	1.84	0.29	0.29	49.69	49.69
(iii)	Investment in Listed Companies	24.13	24.13	18.07	18.07	13.06	13.06	10.20	10.20
1	**Total HQLA**	**11,33.38**	**11,33.38**	**7,25.02**	**7,25.02**	**6,50.54**	**6,50.54**	**7,66.62**	**7,66.62**
	Cash Outflow								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	10,32.92	11,87.86	14,50.89	16,68.53	20,30.65	23,35.25	14,57.33	16,75.93
4	Secured wholesale funding	11,65.65	13,40.49	10,14.65	11,66.85	14,78.96	17,00.80	15,96.88	18,36.41
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	1.07	1.23	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	7,08.78	8,15.10	5,04.21	5,79.84	4,25.03	4,88.78	4,45.07	5,11.83
7	Other contingent funding obligations	67.75	77.92	59.46	68.38	49.03	56.39	44.07	50.69
8	**Total Cash Outflow**	**29,76.17**	**34,22.60**	**30,29.22**	**34,83.60**	**39,83.66**	**45,81.21**	**35,43.35**	**40,74.85**
	Cash Inflow								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	6,97.20	5,22.90	7,59.80	5,69.85	7,02.59	5,26.95	3,13.07	2,34.80
11	Other cash inflows	48,57.93	36,43.45	49,49.38	37,12.03	44,36.41	33,27.30	46,25.21	34,68.91
12	**Total Cash Inflow**	**55,55.13**	**41,66.35**	**57,09.18**	**42,81.88**	**51,39.00**	**38,54.25**	**49,38.28**	**37,03.71**
13	**Total HQLA**		11,33.38		7,25.02		6,50.54		7,66.62
14	**Total Net Cash Outflow**		8,55.65		8,70.90		11,45.30		10,18.71
15	**LIQUIDUTY COVERAGE RATIO (%)**		132%		83%		57%		75%

Notes:

1. Total Unweighted Value (average) and Total weighted Value (average) are calculated taking simple averages of monthly observations for the respective quarter.
2. Inflows from fully performing exposures represents inflow from both secured and unsecured loans and advances

Note 35W

Other Disclosure

1 No penalties were imposed by RBI and other regulators during the financial year 2020-21. (financial year 2019-20: Nil)

2 The Company does not have any exposure in real estate sector during the financial year 2020-21. (financial year 2019-20: Nil)

3 The Company has not exceeded the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2020-21. (financial year 2019-20: Nil)

4 The Company is only registered with Reserve Bank of India as a Systemically Important Non Deposit Taking Non Banking Financial Company.

5 The Company has not drawn down any amounts from the reserves during the financial year 2020-21 except as disclosed in Statement of Changes in Equity. (financial year 2019-20: Nil)

6 The Company has not sold any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year 2020-21. (financial year 2019-20: Nil)

7 The Company has not purchased any non-performing financial assets during the financial year 2020-21. (financial year 2019-20: Nil)

8 **Overseas assets (for those with joint ventures and subsidiaries abroad)**

The Company does not have any joint venture or subsidiary abroad, hence not applicable

9 **Unsecured advances**

As at March 31, 2021, the amount of unsecured advances stood at ₹ 638,51.17 Lakhs (March 31, 2020: ₹ 493,98.02 Lakhs)

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority

Note 36

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, 2021:

(₹ In lakhs)

Financial assets	Amortised cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
(a) Investments-other than Subsidiaries	1,90.00	112,53.31	127,89.52	-	-	242,32.84
(b) Loans	22130,83.10	7917,33.23	-	-	-	30048,16.33
(c) Trade & other receivables	91,89.17	-	-	-	-	91,89.17
(d) Cash and cash equivalents	4266,10.87	-	-	-	-	4266,10.87
(e) Other bank balances	987,70.41	-	-	-	-	987,70.41
(f) Other financial assets	520,13.02	-	-	-	-	520,13.02
(g) Derivative financial instruments	-	-	-	26,23.52	12.41	2,635.94
Total	**27998,56.57**	**8029,86.54**	**127,89.52**	**26,23.52**	**12.41**	**36182,68.57**

(₹ In lakhs)

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
(a) Borrowings	21098,90.94	-	-	-	-	21098,90.94
(b) Debt securities	8334,87.69	-	-	-	-	8334,87.69
(c) Trade & other payables	316,17.60	-	-	-	-	316,17.60
(d) Subordinated liabilities	1654,93.19	-	-	-	-	1654,93.19
(e) Derivative financial instruments	-	-	-	41,04.19	-	41,04.19
(f) Other financial liabilities	725,18.36	-	-	-	-	725,18.36
Total	**32130,07.78**	**-**	**-**	**41,04.19**	**-**	**32171,11.97**

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:

(₹ In lakhs)

Particulars	As at March 31, 2021					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	240,42.83	240,42.83	63,78.99	-	176,63.85	240,42.83
(b) Derivative instruments	26,35.94	26,35.94	-	26,35.94	-	26,35.94
(c) Loans	7917,33.23	7917,33.23	-	-	7917,33.23	7917,33.23
Total	**8184,12.00**	**8184,12.00**	**63,78.99**	**26,35.94**	**8093,97.08**	**8184,12.00**

(₹ In lakhs)

Particulars	As at March 31, 2021					
	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	22130,83.10	22416,09.54	-	-	22416,09.54	22416,09.54
Total	**22130,83.10**	**22416,09.54**	**-**	**-**	**22416,09.54**	**22416,09.54**

(₹ In lakhs)

Particulars	As at March 31, 2021					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value						
(a) Derivative instruments	41,04.19	41,04.19	-	41,04.19	-	41.04.19
Total	**41,04.19**	**41,04.19**	**-**	**41,04.19**	**-**	**41.04.19**

(₹ In lakhs)

Particulars	As at March 31, 2021					
	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	3134,12.57	3305,20.28	-	3305,20.28	-	3305,20.28
(b) Debt securities	2453,44.90	2652,21.42	-	2652,21.42	-	2652,21.42
(c) Subordinated liabilities	1654,93.19	1862,14.28	-	1862,14.28	-	1862,14.28
(d) Lease liabilities (forming part of other financial liabilities)	47,31.60	48,21.79	-	48,21.79	-	48,21.79
Total	**7289,82.26**	**7867,77.77**	**-**	**7867,77.77**	**-**	**7867,77.77**

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

(₹ In lakhs)

Financial assets	Amortised cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
(a) Investments-other than Subsidiaries	1,90.00	60,70.44	77,12.91	-	-	139,73.35
(b) Loans	23654,42.98	3702,89.72	-	-	-	27357,32.70
(c) Trade & other receivables	247,55.01	-	-	-	-	247,55.01
(d) Cash and cash equivalents	1902,97.62	-	-	-	-	1902,97.62
(e) Other bank balances	1287,38.68	-	-	-	-	1287,38.68
(f) Other financial assets	54,74.85	-	-	-	-	54,74.85
(g) Derivative financial instruments	-	-	-	79,13.61	27.16	79,40.77
Total	**27148,99.14**	**3763,60.16**	**77,12.91**	**79,13.61**	**27.16**	**31069,12.98**

(₹ In lakhs)

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
(a) Borrowings	18875,31.07	-	-	-	-	18875,31.07
(b) Debt securities	6629,22.94	-	-	-	-	6629,22.94
(c) Trade & other payables	255,03.94	-	-	-	-	255,03.94
(d) Subordinated liabilities	2014,52.34	-	-	-	-	2014,52.34
(e) Derivative financial instruments	-	-	-	10,25.29	-	10,25.29
(f) Other financial liabilities	461,45.38	-	-	-	-	461,45.38
Total	**28235,55.67**	**-**	**-**	**10,25.29**	**-**	**28245,80.96**

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:

(₹ In lakhs)

Particulars	As at March 31, 2020					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	137,83.35	137,83.35	30,20.98	-	107,62.37	137,83.35
(b) Derivative instruments	79,40.77	79,40.77	-	79,40.77	-	79,40.77
(c) Loans	3702,89.72	3702,89.72	-	-	3702,89.72	3702,89.72
Total	**3920,13.84**	**3920,13.84**	**30,20.98**	**79,40.77**	**3810,52.09**	**3920,13.84**

(₹ In lakhs)

Particulars	As at March 31, 2020					
	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	23654,42.98	23514,23.48	-	-	23514,23.48	23514,23.48
Total	**23654,42.98**	**23514,23.48**	**-**	**-**	**23514,23.48**	**23514,23.48**

(₹ In lakhs)

Particulars	As at March 31, 2020					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value						
(a) Derivative instruments	10,25.29	10,25.29	-	10,25.29	-	10,25.29
Total	**10,25.29**	**10,25.29**	**-**	**10,25.29**	**-**	**10,25.29**

(₹ In lakhs)

Particulars	As at March 31, 2020					
	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	4377,67.95	4459,92.21	-	4459,92.21	-	4459,92.21
(b) Debt securities	1886,93.17	1916,62.63	-	1916,62.63	-	1916,62.63
(c) Subordinated liabilities	2014,52.34	2220,04.04		2220,04.04		2220,04.04
(d) Lease liabilities (forming part of Other financial liabilities)	52,06.78	52,49.78		52,49.78		52,49.78
Total	**8331,20.24**	**8649,08.66**	**-**	**8649,08.66**	**-**	**8649,08.66**

1. 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.

2. 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.
3. 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 transfer between level 1,level 2 and level 3 during the current year.

Valuation technique used to determine fair value of financial instruments

(a) Derivatives instruments are fair valued using market observable rates and published prices together with forecast cash flow information where applicable are classified in level 2. The fair value (i.e. Market to Market) of the derivative instruments is provided by independent third party external valuer (i.e. reputed banks/financial institution).

(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 as at March 31, 2021 and March 31, 2020. 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.

    Certain unquoted equity instruments clasified as Level 3 are fair valued by independent third party valuer using the Comparable Company Method/Approach (CCM). Since significant unobservable inputs are applied in measuring the fair value they are classified in Level 3. Increase or decrease in multiple will result in increase or decrease in valuation.

(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 financial assets and financial liabilities other than those disclosed in table above are considered to be the same as their fair values due to the short term maturities of instruments or no material differences in the values.

Reconciliation of level 3 fair value measurement is as given below:

(₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	3810,52.09	119,86.70
Additions during the year	6038,39.51	3845,89.96
MTM gain/(loss) recognized in OCI	168,63.28	117,56.48
MTM gain/(loss) recognized in P & L	52,61.83	(10,46.26)
Realised during the year	(1976,19.63)	(262,34.79)
Balance at the end of the year	**8093,97.07**	**3810,52.09**

Note 37

Company as a Lessee

The Company has leases for the office premises at its PAN India branches, rented yards for repossessed vehicles and for other equipments like Gensets. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of revenue) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (refer Note 12)

Leases of rented offices are generally limited to a lease term of 2 to 10 years. Leases of rented yards generally have a lease term ranging from 2 years to 7 years. Lease payments are generally fixed however the Company has one lease arrangement where rentals are variable in nature not linked to an underlying index.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company.

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the year:

(₹ In lakhs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Right-of-use assets	Borrowings	Right-of-use assets	Borrowings
	Buildings	Lease Liabilities	Buildings	Lease Liabilities
Balance at the beginning of the year	49,27.46	52,06.78	51,15.42	51,15.42
Additions	19,03.07	19,03.07	17,28.41	17,28.41
Deletions	(11,71.70)	(12,78.58)	(3,51.42)	(3,70.05)
Depreciation expense	(12,96.29)	-	(15,64.95)	-
Interest expense	-	4,21.61	-	4,60.59
Payments	-	(15,21.28)	-	(17,27.59)
Balanced at the end of the year	**43,62.54**	**47,31.60**	**49,27.46**	**52,06.78**

When measuring the lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate.

(₹ In lakhs)

Set out below, are the amounts recognised in profit and loss	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation expense of right-of-use assets	12,96.29	15,64.95
Interest expense on lease liabilities	4,21.61	4,60.59
Rent expense- Short term leases	8,00.40	1,47.21
Leases of low value assets	5.61	18.15
Variable lease payments (not being linked to any index or rate)	-	4,74.25

The Company has applied the practical expedient to all rent concessions that meet the conditions as per para 46A of Ind AS 116. The total rent concessions recognised in statement of P&L during the year ended March 31, 2021 is ₹ 1,05.42 lakhs

Note 38

Company as a Lessor

The Company has given vehicles under operating lease.

Although the risks associated with rights that the Company retains in underlying assets are not considered to be significant, the Company employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate the Company when a property has been subjected to excess wear-and-tear during the lease term.

The undiscounted maturity analysis of future lease receivables is as follows-

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Within 1 year	65,17.24	60,24.19
1-2 years	47,20.14	54,37.58
2-3 years	31,26.20	37,42.89
3-4 years	11,35.90	21,39.03
4-5 years	46.98	8,06.28
Above 5 years	-	-
Total	**155,46.47**	**181,49.97**

Note 39

Finance Lease receivables

The Company has entered into lease arrangements as a lessor that are considered to be finance leases. The Company leases vehicles and as it transfer's substantially all of the risks and rewards of ownership of the assets they are classified as finance leases. The lease term for these leases ranges from 2 to 7 years.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

(₹ In lakhs)

Particulars	March 31, 2021	March 31, 2020
Less than 1 year	7,00.62	1,67.81
1-2 years	6,47.31	1,67.81
2-3 years	3,36.05	62.29
3-4 years	2,96.05	-
4-5 years	1,97.47	-
more than 5 years	2,77.17	
Total undiscounted lease payments receivable	**24,54.68**	**3,97.91**
Unearned finance income	(5,46.19)	(42.95)
Net investment in the lease	**19,08.49**	**3,54.96**

Further, Company has recognized following amounts in statement of profit and loss during the year

(₹ In lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Finance income on the net investment in the lease	83.02	10.47

Note 40

Assets held for sale

During the year ended March 31, 2020 the Company had decided to sell a residential flat forming part of the building block which had been classified as "Assets Held for Sale" as it met the criteria laid down under Ind AS 105-" Non-current Assets Held for Sale and Discontinued Operations". The sale was completed during year ended March 31, 2021.

Note 41

Reconciliation of Movement in Borrowings to cash flows from financing activities

(₹ In lakhs)

Particulars	As at April 01, 2020	Cash flows (net)	Exchange difference	Amortisation / EIR adjustments	As at March 31, 2021
Debt securities	6629,22.94	1364,01.75	-	341,63.00	8334,87.69
Borrowings (Other than debt securities)	18875,31.07	2269,20.60	(65,63.98)	20,03.26	21098,90.94
Subordinated liabilities	2014,52.34	(361,00.00)	-	1,40.85	1654,93.19
Total	**27519,06.35**	**3272,22.35**	**(65,63.98)**	**363,07.11**	**31088,71.82**

Note: Debt securities includes commercial papers and zero coupon debentures for which the discounting charges paid is ₹ 22,629.02 lakhs and premium charges paid of ₹ 28,727.17 lakhs respectively on the repayment date is shown in the finance cost in cash flow statements.

(₹ In lakhs)

Particulars	As at April 01, 2019	Cash flows (net)	Exchange difference	Amortisation / EIR adjustments	As at March 31, 2022
Debt securities	9328,45.12	(3161,25.62)	-	462,03.44	6629,22.94
Borrowings (Other than debt securities)	17933,78.49	802,36.76	119,15.09	20,00.73	18875,31.07
Subordinated liabilities	2002,54.92	10,55.00	-	1,42.42	2014,52.34
Total	**29264,78.53**	**(2348,33.86)**	**119,15.09**	**483,46.60**	**27519,06.35**

Note: Debt securities includes commercial papers and non convertible debentures for which the discounting charges paid is ₹ 40,195.81 lakhs and premium charges paid of ₹ 56,67.11 lakhs respectively on the repayment date is shown in the finance cost in cash flow statements.

Note 42

Maturity Analysis of Assets and Liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled

	Particulars	March 31, 2021			March 31, 2020		
		Current	Non current	Total	Current	Non current	Total
I	**ASSETS**						
1	**Financial assets**						
(a)	Cash and cash equivalents	4266,10.88	-	4266,10.88	1902,97.62	-	1902,97.62
(b)	Bank Balance other than cash and cash equivalents	453,24.07	534,46.34	987,70.41	501,07.85	786,30.83	1287,38.68
(c)	Derivative financial instruments(assets)	38.38	25,97.56	26,35.94	27.45	79,13.32	79,40.77
(d)	Receivables						
i.	Trade receivables	60,56.04	-	60,56.04	187,88.70	-	187,88.70
ii.	Other receivables	31,33.12	-	31,33.12	59,66.31	-	59,66.31
(e)	Loans	16458,75.61	13589,40.72	30048,16.33	12578,45.90	14778,86.78	27357,32.68
(f)	Investments	-	242,32.84	242,32.84	-	139,73.35	139,73.35
(g)	Other financial assets	182,39.78	337,73.24	520,13.02	29,26.26	25,48.59	54,74.85
2	**Non-financial assets**						
(a)	Current tax assets (net)	-	109,94.33	109,94.33	-	154,73.02	154,73.02
(b)	Deferred tax assets (net)	-	149,46.38	149,46.38	-	157,65.31	157,65.31
(c)	Property, plant and equipment	-	235,83.18	235,83.18	-	211,32.51	211,32.51
(d)	Capital work-in-progress	-	-	-	-	69.70	69.70
(e)	Other intangible assets	-	4,61.83	4,61.83	-	2,99.79	2,99.79
(f)	Other non-financial assets	111,12.29	21,74.15	132,86.44	84,03.30	60,14.72	144,18.02
3	**Non-current assets held for sale**	-	-	-	3,35.68	-	3,35.68
	Total assets	**21563,90.17**	**15251,50.55**	**36815,40.72**	**15346,99.07**	**16397,07.93**	**31744,07.00**
II	**LIABILITIES**						
1	**Financial liabilities**						
(a)	Derivative financial instruments(liability)						
(b)	Payables	5,36.42	35,67.77	41,04.19	-	10,25.29	10,25.29
i.	Trade payables						
	- total outstanding dues of micro enterprises and small enterprises						
	- total outstanding dues of creditors other than micro enterprises and small enterprises	268,52.36	-	268,52.36	233,18.28	-	233,18.28
ii.	Other payables						
	- total outstanding dues of micro enterprises and small enterprises						
	- total outstanding dues of creditors other than micro enterprises and small enterprises	47,65.24	-	47,65.24	21,85.66	-	21,85.66
(c)	Debt securities	6562,67.89	1772,19.80	8334,87.69	6194,82.15	434,40.79	6629,22.94
(d)	Borrowings (Other than debt securities)	10306,19.38	10792,71.56	21098,90.94	7384,49.76	11490,81.31	18875,31.07
(e)	Subordinated liabilities	154,40.94	1500,52.25	1654,93.19	360,90.25	1653,62.08	2014,52.33
(f)	Other financials liabilities	576,18.21	149,00.15	725,18.36	353,07.56	108,37.81	461,45.37
2	**Non-financial liabilities**						
(a)	Current tax liabilities (net)	53.31	-	53.31	53.31	-	53.31
(b)	Provisions	1,42.41	79,45.11	80,87.52	1,37.39	75,38.27	76,75.66
(c)	Other non-financial liabilities	81,55.54	-	81,55.54	54,43.15	-	54,43.15
	Total liabilities	**18004,51.70**	**14329,56.64**	**32334,08.34**	**14604,67.51**	**13772,85.55**	**28377,53.06**
	Net	**3559,38.46**	**921,93.92**	**4481,32.38**	**742,31.56**	**2624,22.38**	**3366,53.94**

Note 43

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 un-predictability 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, 2021, that defaults in payment obligations will occur.

i) Loans - Credit quality of financial assets and impairment loss

Loans originate 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.

The Company creates & secures first and exclusive collateral charge at the time of loan origination on all vehicles for which vehicle financing loans are given. Hypothecation endorsement is obtained in favour of the Company in the

Registration Certificate of the Vehicle funded under the vehicle finance category. Any surplus remaining after settlement of outstanding loan by way of sale of vehicle (collateral) is returned to the customer. Other than the above Company secures portion of the loss against loans financed to customers by obtaining third party credit guarantees.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company is in retail lending business on pan India basis. Vehicle Finance (consisting of new Commercial Vehicles, Passenger Vehicles) is lending against security. Hypothecation endorsement is made in favour of the Company in the Registration Certificate in respect of all registerable collateral. Portfolio is reasonably well diversified across South, North, East and Western parts of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, and Small Commercial Vehicles, are well diversified into sub product mix to mitigate concentration risk.

The maximum credit exposure to any individual customer from the financing business as of March 31, 2021 was ₹ 136,26.73 lakhs (March 31, 2020: ₹ 120,15.23 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 Company's impairment assessment and measurement approach is set out in Note 3(xv) - Accounting policies.

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.

(₹ In lakhs)

Loans	As at March 31, 2021			As at March 31, 2020			Net movement of gross carrying amount	Net movement of impairment allowance
	Gross carrying amount	Impairment allowance	Net amount	Gross carrying amount	Impairment allowance	Net amount		
Current (not past due)	20546,14.60	87,62.00	20458,52.60	19304,00.81	91,50.10	19212,50.71	1242,13.79	(3,88.10)
01-30 days past due*	3300,36.78	44,09.00	3256,27.78	3457,74.00	41,00.20	3416,73.80	(157,37.22)	3,08.80
31-90 days past due*	5612,07.05	491,97.35	5120,09.70	3545,99.55	221,76.65	3324,22.90	2066,07.50	270,20.70
above 90 days past due*	1737,82.13	524,55.89	1213,26.24	1634,54.43	230,69.15	1403,85.28	103,27.70	293,86.74
Total	**31196,40.56**	**1148,24.23**	**30048,16.33**	**27942,28.79**	**584,96.10**	**27357,32.69**	**3150,84.07**	**563,28.13**

'*Includes future principal instalments which are not past due aggregating to ₹ 9194,29.92 lakhs as of March 31, 2021 (March 31, 2020 ₹ 7399,29.13 lakhs)

' The stage 3 (above 90 days past due) includes amount written off of ₹ 292,09.45 lakhs during the year from the gross carrying amount and impairment allowance.

Changes in the allowance for credit losses in loans are as follows :

(₹ In lakhs)

	For the year ended March 31,	
	2021	2020
Balance at the beginning	584,96.11	782,38.20
Impairment loss recognised/(reversed)	855,37.58	612,85.96
Amounts written off	(292,09.45)	(810,28.05)
Balance at the end	**1148,24.24**	**584,96.11**

Modification of financial assets not resulting in derecognition:

(₹ In lakhs)

Particulars	Amount
Carrying amount before modification	2717,71.10
Modificiation (loss)/gain net of Impairment loss allowance measured at lifetime expected credit loss	(129,39.78)

(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 object ive 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, 2021:

(₹ In lakhs)

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
Non derivatives Financial Liabilities						
Borrowings	21098,90.94	11500,58.33	5383,06.64	6361,01.20	-	23244,66.17
Trade and other payables	316,17.60	316,17.60	-	-	-	316,17.60
Debt securities	8334,87.69	6873,22.66	916,82.77	1011,35.27	-	8801,40.70
Subordinated liabilities	1654,93.19	317,51.78	326,69.46	797,19.57	877,32.50	2318,73.31
Lease liabilities	47,31.60	11,88.76	10,21.18	25,34.78	13,35.13	60,79.85
Other financial liabilities (other than lease liabilities)	677,86.76	570,16.32	2,90.34	107,01.74	-	680,08.40
Derivatives Financial Liablities						
Derivative contracts	41,04.19	5,36.42	2.18	35,65.59	-	41,04.19
Total	**32171,11.97**	**19594,91.87**	**6639,72.57**	**8337,58.14**	**890,67.63**	**35462,90.22**

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:

(₹ In lakhs)

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total contractual cash flows
Collateralized debt obligations	2972,15.50	1926,47.33	1030,25.33	355,04.97	3311,77.63

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

(₹ In lakhs)

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
Non derivatives						
Borrowings	18875,31.07	8648,17.40	5406,90.95	7433,00.78	15,09.82	21503,18.95
Trade and other payables	255,03.94	255,03.94	-	-	-	255,03.94
Debt securities	6629,22.94	6275,01.97	473,15.54	-	-	6748,17.51
Subordinated liabilities	2014,52.34	541,37.13	317,51.78	1046,56.53	877,32.50	2782,77.94
Lease liabilities	52,06.78	15,82.35	11,64.91	24,64.71	14,84.88	66,96.85
Other financial liabilities	409,38.60	341,29.16	40.08	67,69.36	-	409,38.60
Derivatives						
Derivative contracts	10,25.29	-	-	10,25.29	-	10,25.29
Total	**28245,80.95**	**16076,71.95**	**6209,63.26**	**8582,16.67**	**907,27.20**	**31775,79.08**

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:

(₹ In lakhs)

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total contractual cash flows
Collateralized debt obligations	4228,24.24	2445,12.82	1494,19.88	717,94.87	4657,27.56

(C) Management of Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Financial instruments affected by market risk include borrowings, investments and derivative financial instruments.

The Company exposure to market risk is a function of asset liability management activities. The Company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee (ALCO) reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the Company’s risk management framework. ALCO activities are in turn monitored and reviewed by a board sub-committee.

(i) Foreign currency risk

Foreign exchange risk is the risk of impact/changes related to fair value or future cash flows of an financial instrument exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. 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 foreign currency exposure arises mainly from variable rate foreign currency borrowings denominated in USD. The Company, as per its risk management policies, enters into derivative financial instruments like currency swaps and forward contracts to mitigate risk of changes in exchange rate in foreign currency. When a derivative is entered in to for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company policy is to fully hedge its foreign currency borrowings at the time of drawdown till the repayment.

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company’s profit and loss & financial position arising from the effects of reasonably possible changes to foreign exchange rates on variable rate foreign currency borrowings as the exposure is fully hedge by entering into derivative financial instruments.

(ii) 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 obligations with floating/variable interest rates.

The Company borrows through various instruments which has interest rate reset clause which is exposed to interest rate risk. As at the end of reporting period, the Company had following variable/floating interest rate borrowings:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non derivative Financial Liabilities Variable rate borrowings*	15183,75.79	11924,89.29

* The above excludes the foreign currency denominated floating interest rate borrowings, the Company manages its interest rate risk by entering into interest rate swap and cross currency interest rate swap derivative instruments in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

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 reporting date would result in an impact (decrease/increase in case of profit/(loss) before tax of ₹ 151,83.76 lakhs and ₹ 119,24.89 lakhs on income for the year ended March 31, 2021 and 2020 respectively.

The above sensitivity analysis assumes that all other variables remain constant and the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

(iii) 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, 2021 and March 31, 2020 was ₹ 231,75.88 lakhs and ₹ 126,76.48 lakhs respectively.

(₹ In lakhs)

	Impact on profit for the year		Impact on other components of equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Equity price Sensitivity				
Increase in equity price by 10 %*	11,92.26	6,60.60	11,25.33	6,07.04
Decrease in equity price by 10 %*	(11,92.26)	(6,60.60)	(11,25.33)	(6,07.04)

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

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 year end dates

Particulars	As at March 31, 2021	As at March 31, 2020
CRAR (%) *	19.36%	16.85%
CRAR - Tier I capital (%)	13.17%	12.87%
CRAR - Tier II capital (%)	6.19%	3.98%

*The above ratios have been computed in accordance with the guidelines issued by RBI on March 13, 2020.

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

Note 44

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:

(₹ In lakhs)

Nature of Assets	As at March 31, 2021		As at March 31, 2020	
	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
Loans	3008,43.49	2972,15.50	4257,37.31	4228,24.24

Net of provision of ₹. 53,48.83 lakhs and ₹ 49,38.30 lakhs as at March 31, 2021, and March 31, 2020 respectively.

Note 45

Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. This may lead to a rise in the number of borrowers defaults and consequently an increase in corresponding provisions. The extent to which the COVID-19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, will continue to impact the Company's performance will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us.

The Company has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors / information available, upto the date of approval of these annual financial results. The final impact of this pandemic is very uncertain and the actual impact may be different then that estimated based on the conditions prevailing as at the date of approval of these annual financial results. The management will continue to closely monitor the material changes in the macroeconomic factors impacting the operations of the Company.

Note 46

The Parliament has approved the Code on Social Security, 2020 ('the Code') which may impact the contribution by the Company towards Provident Fund and Gratuity.The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact, if any, in the financial results following the Code becoming effective and the related rules being framed and notified.

Note 47

In view of the Honourable Supreme Court of India interim order dated September 3, 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR), no additional borrower accounts were classified as impaired (non-performing assets (NPA)), which were not declared non-performing till August 31, 2020. Basis the said interim order the Company had not classified any additional borrower account as NPA as per RBI or other regulatory prescribed norms, after August 31, 2020 which were not NPA as of August 31, 2020.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has complied with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.

Note 48

In accordance with the instructions in aforementioned RBI circular dated April 07 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021 the Company has put in place a Board approved policy to refund/ adjust the interest on interest' charged to borrowers during the moratorium period i.e, March 01, 2020 to August 31, 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021.

Note 49

Fraud

As required by Reserve Bank of India circular No RBI/2011-12/424 DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 on monitoring of frauds, the Company has reported fraud amounting to ₹ 87.40 lakhs during year ended March 31, 2021 (during the year ended March 31, 2020: ₹ 1,73.70 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-100022

Sameer Mota
Partner
Membership No. 109928

Place : Mumbai
Date: April 30,2021

For and on behalf of the Board of Directors

Vedika Bhandarkar
Director
(DIN - 00033808)

P. B. Balaji
Director
(DIN - 02762983)

Samrat Gupta
Managing Director and
Chief Executive Officer
(DIN - 07071479)

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary

Place: Mumbai
Date: April 30, 2021

Schedule to the Balance Sheet as at March 31, 2021 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			
Liabilities side:		**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid:**		
	(a) Debentures : Secured (Note-1)	2592,29.63	-
	: Unsecured	1740,17.87	-
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	-	
	(c) Term Loans	13792,27.30	-
	(d) Inter-corporate loans and borrowings	-	
	(e) Commercial Papers (Note-2)	5881,42.79	-
	(f) Other Loans		
	- Working capital demand loan (secured)	2992,60.10	-
	- Working capital demand loan (unsecured)	600,00.00	-
	- Cash Credit From banks	597,45.18	-
	- Collateral Debt Obligation	2985,36.96	-

Assets side:		**Amount Outstanding**
(2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**	
	(a) Secured	30557,89.39
	(b) Unsecured	638,51.17
(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	19,08.49
	(b) Operating lease	23,05.02
	(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	140,41.91
	(b) Loans other than (a) above (refer note 1 & note 2 below)	31055,98.65
(4)	**Break-up of Investments:**	
	Current Investments:	
	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	

(₹ In lakhs)

	Long Term Investments:	
	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	55,12.03
	2 Unquoted:	
	(i) Shares : (a) Equity (Investment in subsidiaries)	-
	(b) Preference	1,90.00
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	
	(v) Others	185,30.79
		-

(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 (c) Other related parties	-	-	-
	2 Other than Related Parties	29410,14.51	638,01.82	30048,16.33
	Total	**29410,14.51**	**638,01.82**	**30048,16.33**

(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	231,57.07	231,57.07
	(c) Other related parties	-	-
	2 Other than Related Parties		
	Quoted		
	Investment in Equity Shares	2,08.80	2,08.80
	Unquoted		
	Investment in NCDs	-	-
	Investment in Senior Pass Through Certificates	-	-
	Investment in Units of Mutual fund	-	-
	Others	8,66.95	8,66.95
	Total	242,32.82	242,32.82

(₹ In lakhs)

(7)	Other information		
	Particulars		
	(i)	Gross Non-Performing Assets	
		(a) Related parties	-
		(b) Other than related parties	1748,39.68
	(ii)	Net Non-Performing Assets	
		(a) Related parties	-
		(b) Other than related parties	1215,96.20
	(iii)	Assets acquired in satisfaction of debt	-

Note 1: Includes Zero coupon debentures of ₹ **260,53.16** lakhs, net of unamortised premium on redemption and unamortised borrowing cost of ₹ **8,39.37** lakhs.

Note 2: Commercial Paper of ₹ **5881,42.79** lakhs are net of unamortised discounting charges and unamortised borrowing cost amounting to ₹ **133,57.21** lakhs.

For and on behalf of the Board of Directors

Vedika Bhandarkar
Director
(DIN - 00033808)

P. B. Balaji
Director
(DIN - 02762983)

Samrat Gupta
Managing Director and
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Place: Mumbai
Date: April 30, 2021