Tata Motors Finance Limited

Annual Report F.Y. 2021-2022

BOARD OF DIRECTORS

Mr. Nasser Munjee,
Independent Director & Chairman

Mrs. Vedika Bhandarkar,
Independent Director

Mr. P. S. Jayakumar,
Independent Director

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

Mr. P.B. Balaji
Non-Executive Director

Mr. Shyam Mani,
Non-Executive Director

Mr. Dhiman Gupta,
Non-Executive, Additional Director
(Appointed w.e.f. May 24, 2022)

Mr. Samrat Gupta,
Managing Director & CEO

CHIEF FINANCIAL OFFICER
Ms. Ridhi Gangar

COMPANY SECERETARY
Mr. Vinay Lavannis

STATUTORY AUDITORS
M/s. B S R & Co. LLP (Resigned w.e.f. October 20, 2021 pursuant to RBI Guidelines)

Joint Statutory Auditors appointed w.e.f. Q3 FY 2021-22
M/s Sharp & Tannan Associates, Chartered Accountants
M/s G. M. Kapadia & Co, Chartered Accountants

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 |

Website: www.tmf.co.in

CORPORATE OFFICE

Tata Motors Finance Limited,
I-Think Lodha Techno Campus,
Building A, 2nd Floor,
Off Pokharan Road 2, Thane (West)- 400601
Tel: +91 22 6181 5400 |
Fax: +91 22 6181 5700

REGISTRAR AND SHARE TRANSFER AGENT

TSR Consultants Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083
Website: www.tcplindia.co.in/ E-mail Id: psampat@tcplindia.co.in
Tel: +91 22 6656 8484, Fax: +91 22 6656 8496.

TATA Motorsfinance
driven by trust

TATA

BANKERS

Australia & New Zealand Bank
Axis Bank Ltd
Bank of Bahrain & Kuwait BSC
Bank of Baroda
Bank of India
Bank of Maharashtra
Barclays Bank PLC
Canara Bank
Central Bank of India
CTBC BANK
CITI Bank
DBS BANK LTD
Deutsche Bank
Dhanlaxmi Bank
HDFC Bank Ltd
HSBC
ICICI Bank Ltd
IDFC First Bank Ltd
Indian Bank
Indian Overseas Bank
IndusInd Bank Ltd
International Finance Corporation (IFC)
Karnataka Bank
Korean Development Bank
Punjab National Bank
RBL Bank Ltd

Small Industries Development Bank of India

Standard Chartered Bank
State Bank of India
The Federal Bank Ltd
The South Indian Bank
UCO Bank
Ujivan Samll Finance Bank Ltd
Union Bank of India

DEBENTURE TRUSTEES

Vistra ITCL (India) Limited

The IL&FS Financial Centre, Plot C-22, G Block, BKC Road, Bandra Kurla Complex, Bandra East,
Mumbai-400051 Maharashtra.
Tel: +91 22 2659 3535
Fax: +91 2226533297
e-mail: sonal.gokhale@vistra.com
web: 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 22 66311776
e-mail: gaurav.jeswani@idbitrustee.com
web: www.idbitrustee.com

DEPOSITORIES

Central Depository Services (India) Limited

National Securities Depository Limited

LISTED AT (Debt Securities)

National Stock Exchange of India Limited (NCD and CP Listed)

BSE Limited (only NCD Listed)

TATA MOTORS FINANCE LIMITED

DIRECTORS' REPORT

MARCH 31, 2022

To,
THE MEMBERS
TATA MOTORS FINANCE LIMITED

The Directors feel privileged to present the 33rd Annual Report on the business and operations of the Company and the statement of accounts for the year ended March 31, 2022.

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 financial year 2021-22 began with the unprecedented and ferocious second wave of pandemic hitting the economy hard in its first two months, impeding the momentum gained in Q4 of FY21. However, accelerated pace of vaccination drive, release of pent-up demand in the festive season, boost to investment activity from government's focus on infrastructure, asset monetization and accommodative monetary and liquidity conditions aided the economy. The ongoing geopolitical crisis has however heightened the uncertainty clouding global macroeconomic and financial landscape even as the world economy struggles to recover back from the pandemic. As the conflict escalates, oil and other commodity prices are breaching multiyear highs.

While Q4 began with possible risks emanating from a third wave, rapid abatement of the wave allowed for quick lifting of restrictions. The decline in COVID-19 cases bolstered confidence and re-invigorated demand for contact-intensive services and boosting jobs in this segment. Industrial sector didn't get impacted much from the third wave. Daily average generation of e-way bills scaled new peak in Feb-22. Sharp recovery was witnessed in mobility around retail and recreation. Petrol sales and domestic air passenger traffic, proxies for mobility and services consumption, also saw a sharp recovery in YoY growth rates in Feb-22. Rupee ranged between Rs 73-77 per USD mark during the year while forex reserves at

March end stood at about ~ USD 618 billion. It is expected that the average CPI inflation to rise to 5.6% in FY23 from 5.4% in FY22 led by higher commodity prices and a weaker Rupee. Real GDP growth is expected to moderate to 7.2% in FY23, with elevated commodity prices posing downside risks.

Automotive Industry overview

The commercial vehicle (CV) industry which was brought to its knees by the first wave of pandemic has since been on the road to recovery with gradual reopening of economy. Despite the second wave of COVID infections and re-imposition of lockdowns this summer, trucking industry which is a leading economic indicator was not hurt the same way as it was in the same period a year ago as markets remained partially operational. Factors positive for CVs demand slowly fell in place with improved utilisation, robust rentals, waning effect of higher axle load norms on higher tonnage commercial vehicles and the scrappage policy, all which came together as strong tailwinds. MHCV sales improved sequentially with the rise in e-commerce, agriculture, infrastructure, and mining activities. Besides, steady rise in e-way bills (that indicates road freight movement) and GST collections supported a rise in demand for CVs.

Auto sector's road to recovery remained bumpy with geopolitical tensions causing disruptions in supply chain, sharp jump in commodity and fuel costs to name a few. However, factors like strong demand and hope of improvement in semiconductor supplies continues to be the silver lining. There are early signs of recovery in rural demand. Strong output in Rabi crops coupled with robust realization has led to good cash flows in the hands of farmers. Demand for working capital loans for MSME's is gradually increasing. Demand for MHCV is led by strong replacement demand from organized fleet operators. LCV demand however is yet to pick up. Enquiries for ICVs continues to be strong. Demand is skewed more towards CNG vehicles. The automotive sector remains one of the key beneficiaries of the PLI scheme announced by the Government which aims at a future-ready and globally competitive Indian auto sector, by fast-tracking investments in technology and components where India needs to leapfrog.

NBFC Sector Overview

Over the past decade, Indian auto finance industry has witnessed multiple ups and downs in its business cycles. The period from 2010 to 2012 was characterised by strong growth which was followed by a down-cycle over 2012-14 due to ban on mining in some states. Since 2019, the new regulations on axle-load norms and the pandemic took its toll. Despite these headwinds, the industry grew more than three times to Rs 7.5 trillion over the past decade. With the brutal impact of second wave in first two months of the fiscal, collection infrastructure literally shut shop and loan repayment collections fell by 15%-20%. Fresh disbursals reached only ~65% - 70% because of reduced vehicle sales in the first part of the FY22.

A CRISIL Research study, aptly summarised the three major headwinds faced by auto NBFCs viz., (a) intensifying competition from banks flushed with liquidity, have sharpened focus on retail loans, which are the mainstay of NBFCs; (b) GNPAs are expected to increase, primarily because of the recent regulatory clarification in recognition norms and, to some extent due to slippages from the restructured book and (c) funding access is yet to fully normalise for some of the players. Some good pockets of growth are visible. Supply side constraints in new vehicle segments have pushed up demand for used vehicles. While cost has gone up, better freight availability and improving rates seem to have cushioned large fleet operator’s profitability. Good monsoon prospects, better harvest and normalizing rural demand will aid better performance.

One visible speed-breaker would be the impact of recent increase in rates by RBI. Though long due, the regulator suddenly changed stance post FY22 year end. The intervention came in effect with inflation levels continuously hovering above the acceptable levels. The geopolitical tensions, its impact on the crude oil prices and the continued accommodative stance taken by RBI to support growth took its toll on overall prices. The key monitorable will be the strategy that will be put in place by financiers to tackle the situation.

3. FINANCIAL RESULTS

(Figures in crore)

PARTICULARS	**F.Y. 2021-22 (Rs.)**	**F.Y. 2020-21 (Rs.)**
Total Income	3,852.65	4,021.78
Less:		
Finance Costs	2,064.49	2,244.83
Impairment of financial instruments and other assets	1,111.34	859.47
Employee benefits expenses	261.11	266.68
Other expenses	454.91	373.14
Depreciation / Amortization	57.70	58.55
Profit Before Exceptional Item	**(96.90)**	**219.11**

Exceptional item	-	-
Profit Before Tax	**(96.90)**	**219.11**
Less: Tax Expense	(70.16)	(30.57)
Profit After Tax	(26.74)	249.68
Other comprehensive income forming part of Retained earnings	1.94	(3.41)
Total comprehensive income for the year	**(24.80)**	**246.27**
Balance brought forward from previous year (distributable)	362.64	226.30
Amount Available for Appropriations	337.84	472.57
Appropriations		
Statutory Reserve	-	49.93
Dividend on equity shares	36.80	-
Dividend on preference shares (non-cumulative)	18.50	18.50
Distributions made to holders of Instruments entirely equity in nature	98.38	28.75
Issue expenses on Perpetual Debt	7.34	12.75
Surplus carried to Balance Sheet	176.82	362.64

4. DIVIDEND

The Company has not declared any dividend for FY 2021-22 on Equity Shares and Compulsory Convertible Preference Shares (CCPS) in view of losses and to retain capital.

5. TRANSFER TO RESERVE

In absence of profit during the year, the Company is not required to transfer 20% of the net profit after taxes to Statutory Reserve created pursuant to the provisions of the RBI Act, 1934.

6. OPERATIONS

During the financial year 2021-22, the Company recorded new vehicle disbursals of Rs. 11,666 crores registering an increase of 31% in comparison to 2020-21 disbursals of Rs. 8,875 crores. The Company financed overall 84,310 units of vehicles as compared to 82,874 units in FY 2020-21, registering a growth of 2% YoY.

Commercial Vehicle financing contracts increased by 24% to 79,814 units in FY 2021-22 as compared to 64,524 units in FY 2020-21.

On the Passenger Vehicle (PV) side of business, with customer segment for Tata Motor vehicles shifting from commercial users to personal users, the company decided to exit from regions where banks were dominating the lending space with finer rates and focused only on regions where business viability supported. The focus in the selected regions was to lend on balance sheet of partnering banks and earn upfront fee income. On account of this change in market strategy, PV disbursals dropped by 76% to 4,496 units as compared to 18,350 units in FY 2020-21.

During FY 2021-22, the company also disbursed Rs. 241 crores under Emergency Credit Line Guarantee Scheme (ECLGS) as against Rs. 1,916 crores in FY 2020-21.

During the financial year ended March 31, 2022, the Company earned a total income of Rs. 3,852.65 crores as compared with Rs. 4,021.78 crores in FY 2020-21. Loss before tax (LBT) for the current year came at Rs. 96.90 crore as against Profit before tax (PBT) of Rs. 219.11 crores in FY 2020-21 and loss after tax of Rs. 26.74 crore as against profit after tax of Rs. 249.68 crores for the corresponding period of previous year.

7. FINANCE

During FY 2021-22, 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, 2022 stood at Rs. 28,246 crore comprising mainly of Bank Borrowings (including ECBs) of Rs. 17,389 crore, Commercial Papers of Rs. 4,663 crore and Non-Convertible Debentures (including Perpetual and Sub Debt) of Rs. 4,887 crore. The weighted average cost of borrowings for the year ended March 31, 2022 was 7.34% per annum on average borrowings of Rs. 27,810 crore. The Debt / Equity ratio as on March 31, 2022 was 5.89 times. The Company has been regular in servicing all its debt obligations.

8. 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

9. CAPITAL ADEQUACY

The Company's Capital adequacy as of March 31, 2022 is 18.66% (March 31, 2021: 19.36%), which is higher than the RBIs mandated level of 15.0%.

10. LIQUIDITY COVERAGE RATIO

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, Managing Director & 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 Minutes of meeting of ALCO and RMC are placed before the Board on quarterly basis.

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 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 60% from December 01, 2021 and TMFL's LCR stood at 106% for the quarter ended March 31, 2022.

11. ASSIGNMENT OF RECEIVABLES

A) <u>DIRECT ASSIGNMENT</u>

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. 5,213.04 crore (Principal Outstanding Rs. 4,331.80 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.

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 Guidelines on Securitisation and direct assignment transactions issued by RBI.

B) SECURITISATION

During the year, the Company concluded a securitisation transaction by assigning future loan receivables including future interest aggregating to Rs. 299.34 crore (Principal Outstanding Rs. 266.51 crore) to Special Purpose Vehicle (SPVs). As the transactions were par structures, the consideration received by the Company amounted to Rs. 258.51 crore. The pool of receivables was assigned AAA (SO) or its equivalent rating by various rating agencies. In order to secure the interests of the investors, the Company extended credit enhancement support of Rs. 29.32 crore by way of First Loss Facility (FLF) and Subordinate Tranche which constituted 15.65% of the pool Principal, in addition to subordination of Excess Interest Spread (EIS) in the pools.

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

12. SHARE CAPITAL

As on March 31, 2022, 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). There has been no change in share capital during the year.

13. NUMBER OF MEETINGS OF THE BOARD

Thirteen meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

14. COMMITTEES OF THE BOARD

The Company has constituted following Committees of the Board of Directors:

a. Audit Committee;
b. Nomination and Remuneration Committee;

c. Corporate Social Responsibility Committee;
d. Risk Management Committee;
e. Assets Liability Supervisory Committee;
f. Stakeholders Relationship Committee;
g. IT Strategy Committee; and
h. Lending Committee.

The details including composition of the committee (terms of reference, attendance) are included in the Corporate Governance Report, which is a part of this report.

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

The Company, being a Non-Banking Finance Company is exempt from the provisions as applicable to loans, guarantees, security and investments under Section 186 of the Act. Therefore, no details are provided.

16. INFORMATION TECHNOLOGY/ 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 from FTU to a Fleet owner.

17. HUMAN RESOURCES (HR)

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 21-22 are:

- TMF’s focus was on building a collaborative culture. This was enabled by various means like enabling talent for high productivity, automate systems, and implement business HR services for better efficiency.
- TMFs Employee Engagement Score (EES) stood at 96% breaking all bars.

- Employee safety continuous to be the priority. Various safety initiatives were undertaken and work from home was encouraged during the 3rd wave and strict roaster & safety guidelines were followed at the regions.
- Competency based talent management practices are adopted wherein the Job Descriptions (JDs) were refined and also created role based functional competency dictionary. This was also integrated in various HR processes like:
    i. Recruitment - Competency based hiring
    ii. Learning & Development (L&D) – Competency based training
    iii. Performance Management System (PMS) – Competency based role assessment and feedback
- Designed and implemented succession planning framework for creating talent pipeline.
- Career development opportunities widened for employees. Publishing the vacancy on internal job posting "Aspire" made mandatory for all N-3 (three levels below MD&CEO) roles before hiring externally.
- Being an online learning partner, Learning Universe – a digital library was launched. The courses are available 24*7 for all which enables every employee to have equal access and opportunity to grow.
- In order to enhance the productivity & increasing effectiveness, we brought the 48* to 24* culture (One KPA) which helped amplify the performance oriented culture defining the BSCs which are linked to TMF strategy map and quarterly PPIs for business employees.
- Enhanced the manpower planning approach for better productivity in each department.
- One-on-one connect with Zonal Business Heads and Regional managers to understand the pulse of the region.

18. COMPLIANCE & REGULATORY FRAMEWORK

The Company has complied with all applicable laws, rules, regulations, guidelines, including the regulations issued by RBI and SEBI and it does not carry on any business or activity other than as permitted by RBI. The regulatory landscape has undergone a considerable change and there is increased regulatory supervision.

RBI, on October 22, 2021 introduced Scale Based Regulatory Framework for NBFCs, where NBFCs will be classified into different layers, based on their size, activity, and complexity. Basis the classification of NBFCs, enhanced regulatory requirements in relation to capital, governance and prudential regulation will need to be complied with. These guidelines shall be effective from October 01, 2022.

Further in order to strengthen the supervisory tools applicable to NBFCs, RBI has put in place Prompt Corrective Action (PCA) Framework, which will enable regular intervention at appropriate time which require NBFCs to initiate and implement remedial measures in a timely manner, so as to restore its financial health. PCA framework will be applicable to all deposit taking NBFCs and middle, upper and top layers of Non-Deposit Taking NBFCs effective from October 1, 2022, based on the financial position of NBFCs on or after March 31, 2022.

With a view to ensure uniformity in the implementation of IRACP norms across all institutions, RBI issued a circular dated 12th November 2021 pertaining to asset classification of NBFCs, whereby certain aspects such as classification of an account as Special Mention Account (SMA) and Non-Performing Asset (NPA) were harmonized with banks.

These are some of the key regulations that RBI has issued with a view to level the playing field and attain regulatory convergence between Banks and NBFCs. With good governance practices in place, TMFL is ready to steer through the changing regulatory environment and increased supervision.

19. 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.

20. DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

21. EXTRACT OF THE ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the Annual Return in Form MGT-7 for FY 2021-22 is available on the website of the Company- www.tmf.co.in/Investor-zone

22. ACCOUNTS AND ACCOUNTING STANDARDS

The financial statements for the year ended March 31, 2022 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").

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

The Company being a Non-Banking Finance Company (NBFC) and not being involved in any industrial or manufacturing activities, there is no material information on technology absorption to be furnished. The Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations.

Foreign Exchange earned in terms of actual inflows during the year under review was Nil and the Foreign Exchange Outgo during the year under review in terms of actual outflow was Nil.

24. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the F.Y. 2021-22, Mrs. Varsha Purandare (DIN: 05288076) has been appointed as an Independent Director of the Company for a period of 5 years with effect from June 16, 2021 and shareholders at their Annual General Meeting held on August 31, 2021 have confirmed her appointment. Mr. Dhiman Gupta (DIN: 09420213) has been appointed as an Additional Director to be designated as Non-Executive Director of the Company with effect from May 24, 2022 subject to approval of the shareholders at the ensuing General Meeting.

In accordance with the requirements of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. P. B. Balaji is liable to retire by rotation at ensuing Annual General Meeting and eligible for re -appointment.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company. In terms of

Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. 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).

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, 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. EVALUATION OF THE BOARD, ITS COMMITTEES, AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director.

26. POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION POLICY AND OTHER DETAILS

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 and 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 at the time of appointment of directors and annually pursuant to the RBI Master Directions for NBFCs.

27. 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 Internal Audit Function has adopted a Risk Based Internal Audit Framework in accordance with RBI Guidelines to NBFC to enhance the quality and effectiveness of their internal audit systems and processes. It enables Internal Audit Function to broadly assess and contribute to the overall improvement of the Organization’s Governance, Risk Management and Control processes using a systematic and disciplined approach.

Overview of Enhancement basis RBI Circular-

- New Risk Based Internal Audit policy created, with demarcation of roles and responsibility of three lines defense, Senior Management and Audit Committee of the Board

- Enhanced detailed Internal Audit procedural manual providing guidance on all steps of an Audit life cycle
- Development of Risk Based Internal Audit Plan basis Risk Assessment Models for Zones, Business Process and IS Audits considering Inherent Risk, Control Risk and Additional Quantitative parameters as per RBI Circular
- Enhanced Observation Rating Methodology and Audit Report Rating Approach

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. Protiviti Consulting and Acies Consulting LLP, have been appointed to support the Internal Audit Department for conducting Audit of Corporate Functions. M/s. JSG & Associates, M/s. John & Julian, M/s. KSP & Associates and M/s. Joshi Gadgil & Company have been appointed for conducting Physical Audit of Branch Operations.

28. 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, 2022.

29. RISK AND CONCERNS

The Company recognizes the importance of risk management on account of increased competition, market volatility and impact of COVID on 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 2021-22, the Company took conscious decision to do restructuring and offer ECLGS loans to stressed customers due to COVID as per govt. norms offered through various dispensation schemes. Risk scoring model (RSPM) has been effectively leveraged for sourcing lower-risk profiles. The Company has a well-developed and robust credit appraisal process which is reviewed from time to time, as required, to address any regulatory or other changes in the financial sector. Well defined norms and approval escalation processes are in place for approving credit. 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.

30. 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.

31. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

As required under Section 177 of the Companies Act, 2013, the Board has 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.

32. 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.

33. STATUTORY AUDITORS

The shareholders at the Annual General Meeting of the Company held on July 26, 2017 had appointed M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Company from Q2 FY 2017- 18 onwards till the conclusion of AGM for FY 2021-22. However, the existing Statutory Auditors had resigned due to operation of the guidelines issued by the Reserve Bank of India -RBI/2021-22/25- Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021. As per the said guidelines, they had completed their term of appointment and accordingly ceased as Statutory Auditors of the Company.

Pursuant to the Reserve Bank of India (“RBI”) Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide Circular No. 2021-22/25 dated April 27, 2021 and Frequently Asked Questions dated June 11, 2021 (“RBI Guidelines”), the Board of Directors of the Company at its meeting held on October 20, 2021 had approved and recommended to shareholders the appointment of

1. M/s Sharp & Tannan Associates, Chartered Accountants, (Firm Registration No.109983W),
2. M/s G. M. Kapadia & Co., Chartered Accountants, (Firm Registration No. 104767W),

as joint Statutory Auditors of Tata Motors Finance Limited commencing from Q3 FY 21-22 and will hold the office until the conclusion of the Annual General Meeting of the Company to be held in the year 2024 and shareholders confirmed the said appointment at the Extra-Ordinary General Meeting held on November 12, 2021.

34. SECRETARIAL AUDITORS

The Board of Directors at its meeting held on May 11, 2021 has appointed M/s. SG & 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. 2021-22. The Secretarial Audit report issued by M/s. SG & Associates, Practicing Company Secretary, forming part of the Directors' Report for the year ended March 31, 2022 is enclosed as Annexure "2" to this Report.

35. EXPLANATION ON STATUTORY AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors in their Reports on the Financial Statements of the Company for FY 2021-22. Further, the secretarial audit report also does not contain any qualifications, reservations, or adverse remarks or disclaimer for the F.Y. 2021-22.

36. 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, 2022 and May 24 2022, being the date of Board Report.

37. RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website at www.tmf.co.in. 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.

Details of Related Party Transactions, as required to be disclosed by Indian Accounting Standard –24 on “Related Party Disclosures” specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, are given in the Notes to the Financial Statements. Further, there were no transaction requiring disclosure under section 134(3)(h) of the Act. Hence, the prescribed Form AOC–2 does not form a part of this report.

38. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure- 1 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report.

The CSR policy of the Company is available on the Company’s website: www.tmf.co.in/investor-zone

39. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report prepared in accordance with the Part C of Schedule V of SEBI Listing Regulations forms part of this Report and enclosed as Annexure -3 along with following certificates/declarations:

- Compliance certificate by Practicing Company Secretary for compliance of Corporate Governance during the period under review as required under Part E - Schedule V of SEBI Listing Regulations

- Certificate by Practicing Company Secretary pursuant to Schedule V Part C clause (10)(i) of the SEBI Listing Regulations

- Declaration from Managing Director & CEO / Chief Financial Officer (CFO) in respect of financial statements and Cash Flow Statement (pursuant to regulation 17 (8) of SEBI Listing Regulations for the financial year ended March 31, 2022

- Declaration by Managing Director & CEO on Code of Conduct as required under Part D- Schedule V

40. 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 2021-22.

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.

41. JOURNEY TOWARDS BUSINESS EXCELLENCE

The Company (TMF) has designed its own Business Excellence Program (TBEP) customized to its needs and is code named as “Pinnacle”. This encapsulates all excellence related activities to be undertaken by each function. It is reviewed and improved every year. This program is built on five foundational pillars –

- Effective Process designing and measures tracking
- Rigorous Process Implementation
- Multiple Stakeholder Surveys
- Performance reviews & Improvement
- Functional Alignment through Internal surveys, SLAs and optimal BSC deployment.

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. Improvement this year was that the Balance Score Cards were created for each 12 critical functions in addition to the Enterprise Balance Score Card.

To ascertain the feedback of all our stakeholders so as to identify further improvement areas multiple Stakeholder Surveys were undertaken including Customer, Dealer & DSAs and employees. This was supplemented with ten key support functions, conducting internal customer satisfaction surveys among their internal user team who utilise their services during normal business operations. This was undertaken to improve internal efficiencies even further. The external Satisfaction Surveys were very positive with satisfaction index being 80% + across all Customers, dealers and DSAs. The employee engagement score was 96% indicating high robust HR culture within the organization. This year it was done among both on roll and off role employees.

Every function undertook monthly Performance reviews which enabled the functions to identify improvement opportunities which were acted upon promptly by the functional heads. This helped improve business operations further. All functions have been operating at optimum levels of efficiency. TMF since last year has formally adopted Continuous Improvement program where in multiple projects were identified for improvement and are being taken forward systematically by the respective Cross Functional teams. TMF now has the foundation for new improvement culture set in place although in initial stages. The 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 has 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. TMF lays very strong emphasis on employee safety & wellbeing. It has very robust employee safety program code named as "I Assure" and TMF engaged Tata Business Excellence Group Safety Team to review its employee safety processes and suggest improvements to take it to next level .Processes were further enhanced in the year under review and Safety Performance Dashboard which has been set in place was duly reviewed on periodic basis by management team. Safety Council which was constituted last year oversees the functioning of safety committees operational at HO and regions. It reviews the safety performance dashboard too.

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 1.05 Mt / employee which is 22% better than last year. TMF has maintained admirable declining trend of Carbon Footprint from 2.7 MT / employee to 1.05 MT/ Employee over last eight years.

TMF BE department was assigned responsibility of one of the most important attributes of sustainable excellence organization – having Business Continuity plan in place. BE Function engaged with 15 identified critical functions were to review business continuity risks and their mitigation plans as documented in their business. 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. TMF has successful work from home of all employees for considerable long time and this bears testimony to efficient BCP drills carried out at TMF.

The TBEM application was prepared and submitted in Jul 2021 and external assessment exercise was undertaken in Nov / Dec 21 over digital platform. There were 66 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 improved culture. TMF performance was found to be very impressive, and assessors accorded score of 571 which is significantly higher than last year. TMF has already been recognised as Emerging Industry Leader last year and received award from Group chairman last year. This year too TMF extended its successful business excellence journey even further to TBEM score 570+.

TMF initiated another very useful project this year with objective of gathering competitor's information from the field. This is code named as Competitive Information Management and involves field teams capturing their understanding of market place as well as key happenings taking place in the industry. This is reviewed by Regional business heads and post their authorization is reviewed and analysed by management team. Appropriate actions are taken based on this competitive inputs thereby keeping TMF abreast with market conditions in systematic manner.

42. OTHER DISCLOSURES

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Section 136 of the Act and the Rules framed thereunder allows the Company to send its Financial Statements by electronic mode to such Members whose shareholding is in dematerialized format and whose email addresses are registered with the Depositories for communication purposes. Shareholders/ Debenture holders who have not registered their email address with the Depositories are requested to register the same. Further, in accordance with the Circular No. 2/2022 dated May 5, 2022 read with Circular No. 02/2021 dated January 13, 2021 and Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs, the Notice of the AGM including the Annual Report of the Company is being sent only through electronic mode to all the Members/ Debenture holders whose e-mail addresses are registered with the Depositories.

A copy of Annual Report along with the Financial Statements for FY 2021-22 of the Company is also available on the website of the Company, www.tmf.co.in.

43. 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: May 24, 2022

TATA MOTORS FINANCE LIMITED

Annexure "1"

Annual Report on CSR Activities for FY. 2021-22

1. Brief outline on CSR Policy of the Company.

During the year the Company launched Flagship program "Project Akanksha" with the aim of building financial acumen in trucking community. The core objective of the project is to skill the driver community. High quality training includes not just financial inclusion but also fatigue management, road safety, health and wellness as well as substance abuse. The 1st milestone of training 8450 drivers is expected to be achieved by May'22. Also as a part of our broad philosophy, we also aim at good health of the driver community and launched "Project Suraksha" in the same year which will cover 5800 drivers by May'22. Mobile health camps covering basic health check-up are enabled for the drivers at various locations benefitting the cohort to work on their health conditions.

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	Mr. Nasser Munjee	Independent Director (Chairman)	2	2
2	Mrs. Vedika Bhandarkar*	Independent Director	2	1
3	Mr. Shyam Mani	Non-Executive Director	2	2
4	Mr. Samrat Gupta	Managing Director & CEO	2	2

*Mrs. Vedika Bhandarkar stepped down as member of CSR Committee w.e.f. November 12, 2021.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. In lakhs))	Amount required to be set-off for the financial year, if any (Rs. In lakhs)
1	2020-21	57.89	57.89
	Total	57.89	57.89

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

Rs. 15,989.64 Lakhs

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

Rs. 319.79 Lakhs

(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 – Rs. 57.89 Lakhs
(d) Total CSR obligation for the financial year (7a+7b-7c). – Rs. 261.90 Lakhs

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.
142.17 Lakhs	*147.46 Lakhs	April 28, 2022	NA	NA	NA

*The unspent amount includes the additional Budget of Rs. 27.73 lakhs approved by the CSR Committee for FY 2021-22.

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

(Rs. in Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
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.		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.

1.	Project Akanksha	VII (ii)	No as registered office is in Mumbai	Pan India	3 years	118.15	82.69	35.46	No	Collective Good Foundation	CSR00001648
2.	Project Suraksha	VII (ii)	No as registered office is in Mumbai	Pan India	2 years	140.08	28.08	112.00	No	Collective Good Foundation	CSR00001648
3.	Project Uddan	VII (ii)	No as registered office is in Mumbai	Joynagar, Kurnool	5 years	31.40	31.40	Nil	No	Magic Bus India Foundation	CSR00001330
	Total					*289.63	142.17	*147.46			

*The amount includes the additional Budget of Rs. 27.73 lakhs approved by the CSR Committee for FY 2021-22.

(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.									
	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) : Rs. 142.17 lakhs

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

Sl. No.	**Particular**	**Amount (Rs. In lakhs)**
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 319.79
(ii)	Total amount spent for the Financial Year	Rs. 142.17
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(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)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

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.							
	Total						

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

Rs. In Lakhs

(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 21-22	Project Uddan	2015 onwards	5 yrs	31.40	31.40	31.40	Joynagar & Kurnool Project completed
	Total				31.40	31.40	31.40	

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).

Due to the Pandemic, the execution of projects got delayed and therefore, allocated budget was not fully utilized.

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

NASSER MUNJEE
Chairman
DIN: 00010180

Date: May 24, 2022

Annexure-“2”

FORM NO. MR 3

SECRETERIAL AUDIT REPORT

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

For the Financial Year Ended March 31, 2022

To,
The Members,
TATA MOTORS FINANCE LIMITED,

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 (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 Company’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, 2022 has 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 the Company for the financial year ended on March 31, 2022 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 thereunder;

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 External Commercial Borrowings. Provision of FEMA for Foreign Direct Investment and Overseas Direct Investment were 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, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. (Not applicable during the Audit Period)

e) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI OPERATIONAL CIRCULAR SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

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 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)

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period).

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 on NBFCs.

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

We have also examined compliance with the applicable Clauses/ Regulations of the following:

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as provided under Section 203 of the Companies Act, 2013.

The Company has appointed Ms. Varsha Purandare as Non-executive, Independent Director w.e.f. 16th June, 2021.

Adequate notice is given to all Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were 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 were carried out unanimously by the members of the Board and the same were duly recorded in the minutes of the meeting of the Board of Directors.

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, the following events have occurred in the Company:

i. Extra Ordinary General Meeting of the Company was held on 11th May, 2021 wherein approval of the shareholders was obtained for issuance of Non-Convertible Debentures on Private Placement basis.

ii. Annual General Meeting was held on 31st August, 2021.

iii. Extra Ordinary General Meeting of the Company was held on 12th November, 2021 wherein Approval of the shareholders was obtained for appointment of M/s Sharp & Tannan Associates, Chartered Accountants, (Firm Registration No. 109983W) and M/s G. M. Kapadia & Co. Chartered Accountants, (Firm Regn. No.: 104767W), as Joint Statutory Auditors commencing from Q3 FY 2021-22 to hold the office until the conclusion of the Annual General Meeting of the Company to be held in the year 2024 pursuant to RBI Guidelines.

iv. Extra Ordinary General Meeting was held on 4th March, 2022 wherein approval of the shareholders was obtained for issuance of Non-Convertible Debentures on Private Placement basis and approval under Section 180 (1) (a) to sale, transfer and/or dispose of, through securitization or direct assignment of cash flows, the loan assets and receivables including used vehicle portfolio and Corporate Lending Portfolio.

v. Allotment of 4,000(Four Thousand) Unsecured, Redeemable, Listed, Non-Convertible Debentures of the face value of Rs. 10,00,000/-(Rupees Ten Lakhs) each, aggregating Rs. 400,00,00,000/-(Rupees Four Hundred Crores) on a Private Placement basis on 20th April 2021.

vi. Allotment of 4,000(Four Thousand) Unsecured, Redeemable, Listed, Non-Convertible Debentures of the face value of Rs. 10,00,000/-(Rupees Ten Lakhs) each, aggregating Rs. 400,00,00,000/-(Rupees Four Hundred Crores) on a Private Placement basis on 31st May 2021.

vii. Approval for allotment of 2,600(Two Thousand Six Hundred) perpetual, subordinated, listed, unsecured, rated Non-Convertible Debentures of the face value of Rs. 10,00,000/-(Rupees Ten Lakhs) each, aggregating Rs. 260,00,00,000/-(Rupees Two Hundred Sixty Crores) on a Private Placement basis on 15th June, 2022.

viii. Allotment of 5,250 (Five Thousand Two Hundred Fifty) Unsecured, Redeemable, Listed, Non-Convertible Debentures of the Face Value of Rs. 10,00,000/-(Rupees Ten Lakhs) each, aggregating Rs. 525,00,00,000/-(Rupees Five Hundred Twenty Five Crores) on a Private Placement basis on 25th June, 2022.

ix. Allotment of 125 (One Hundred Twenty Five) Perpetual, Subordinated, Listed, Unsecured, Rated Non-Convertible Debentures of the Face Value of Rs. 1,00,00,000/-(Rupees One Crore) each, aggregating Rs. 125,00,00,000/-(Rupees One Hundred Twenty Five Crores)on a Private Placement basis on 03rd December, 2021.

x. Allotment of 2500 (Two Thousand Five Hundred) Unsecured Listed Redeemable NCDs Of The Face Value Of Rs. 10,00,000/- (Rupees Ten Lakhs) Each, Aggregating Rs. 2,500,000,000/- (Rupees Two Fifty Crores) On A Private Placement Basis and allotted 350 Unsecured Listed Redeemable NCDs of Face vale of Rs. 10,00,000/- (Rupees Ten Lakhs) aggregating to Rs. 350,000,000/-(Thirty Five Crores) on 21st January, 2022.

For SG & Associates
Practicing Company Secretaries

Suhas Ganpule
Proprietor
Practicing Company Secretary
Membership No 12122
C. P. No 5722
UDIN:A012122D000373483

Date: 24th May, 2022
Place: Mumbai

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:

I) 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 my audit.

II) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.

III) We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

IV) Wherever required, we have obtained Management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

V) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of Management. Our examination was limited to the verification of procedure on test basis.

VI) 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 SG and Associates
Practicing Company Secretaries

Suhas Ganpule
Proprietor
Membership No: 12122
C. P No: 5722

Date: 24th May, 2022
Place: Mumbai

Corporate Governance Report

I. Company's Philosophy on Corporate Governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Tata culture and ethos. The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted the Governance Guidelines on Board Effectiveness, Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act"). The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code"), Vigil Mechanism, Fair Practices Code, Policy against Sexual Harassment in the Workplace. The Company has in place an Information Security Policy that ensures proper utilization of IT resources.

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.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

II. Board of Directors

i. As on March 31, 2022, the Company has Seven (7) Directors viz. Mr. Nasser Munjee, Chairman & Independent Director, Mr. P. S. Jayakumar, Independent Director, Mrs. Vedika Bhandarkar, Independent Director, Mrs. Varsha Purandare, Independent Director, Mr. P. B. Balaji, Non-Executive Director, Mr. Shyam Mani, Non-Executive Director and Mr. Samrat Gupta, Managing Director & CEO. Mr. Dhiman Gupta has been appointed as Non-Executive, Additional Director w.e.f. May 24, 2022. The profiles of Directors can be found on website of the Company i.e. *www*.tmf.co.in. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

ii. None of the Directors on the Board holds directorships in more than 10 public companies. None of the Independent Directors serves as an independent director on more than 7 listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors. None of the Directors is related to each other.

iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

iv. 13 (Thirteen) Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on April 12, 2021, April 30, 2021, May 11, 2021, June 18, 2021, July 20, 2021, September 07, 2021, October 20, 2021, November 12, 2021, January 25, 2022, February 11, 2022, February 25, 2022, March 02, 2022 and March 21, 2022. The necessary quorum was present for all the meetings.

v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), names of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2022 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director (DIN)	Category	Number of Board Meetings attended during FY 2021-2022	Whether attended last AGM held on *August 31, 2021* *(Yes/No)*	*Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairperson	Member	Chairperson	Member	
Mr. Nasser Munjee (Chairman) (DIN: 00010180)	Independent	13	Yes	2	5	4	5	Ambuja Cements Limited (ID) Cummins India Limited (ID) The Indian Hotels Company Limited (ID) Tata Motors Finance Solutions Limited (Debt Listed) (ID) TMF Holdings Limited (Debt Listed) (ID)
Mr. P. S. Jayakumar (DIN: 01173236)	Independent	13	Yes	1	8	2	6	Adani Ports and Special Economic Zone Limited (ID) JM Financial Limited (ID)

								CG Power and Industrial Solutions Limited (ID) HT Media Limited (ID) Northern Arc Capital Limited (Debt Listed) (ID & NED Chairperson) TMF Holdings Limited (Debt Listed) (ID)
Mrs. Vedika Bhandarkar (DIN: 00033808)	Independent	12	Yes	0	4	3	4	Tata Motors Limited (ID) Tata Motors Finance Solutions Limited (Debt Listed Entity) -ID
Mrs. Varsha Purandare (DIN: 05288076)	Independent	10	Yes	1	9	4	9	Deepak Fertilizers and Petrochemicals Corporation Ltd. (ID) Orient Cement Limited (ID) Shaily Engineering Plastics Ltd (ID) The Federal Bank Ltd (ID) **Debt Listed Companies:** TMF Holdings Limited (ID) Tata Motors Finance Solutions Limited (ID) Tata Cleantech Capital Ltd. (ID) Tata Capital Limited (ID) Tata Capital Financial Services Limited (ID)
Mr. P. B. Balaji (DIN: 02762983)	Non-Executive	13	Yes	0	6	0	4	Tata Consumer Products Limited (NED) **Debt Listed Companies:** TMF Holdings Limited (NED) Tata Motors Finance Solutions Limited (NED)
Mr. Shyam Mani (DIN: 00273598)	Non-Executive	13	Yes	2	4	0	3	**Debt Listed Companies:** TMF Holdings Limited (NED) Tata Motors Finance Solutions Limited (NED)
Mr. Samrat Gupta DIN: 07071479	Managing Director & CEO	13	Yes	0	1	0	1	TMF Holdings Limited (Debt Listed Company) -MD & CEO

*Excludes directorship in the Company, private companies, foreign companies, Section 8 Companies.

Table Key: NED –Non-Executive Director; ID-Independent Director; MD & CEO – Managing Director & Chief Executive Officer.

vi. During FY 2021-22, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

vii. During FY 2021-22, 1 [One] meeting of the Independent Directors was held on March 21, 2022.

viii. The Board periodically reviews the compliance reports of all laws applicable to the Company.

ix. Details of equity shares of the Company held by the Directors as on March 31, 2022 are given below:

Name *of Director*	Category *of Director*	Number of Equity shares
Mr. Nasser Munjee (Chairman) (DIN: 00010180)	Independent	Nil
Mr. P. S. Jayakumar (DIN: 01173236)	Independent	Nil
Mrs. Vedika Bhandarkar (DIN: 00033808)	Independent	Nil
Mrs. Varsha Purandare (DIN: 05288076)	Independent	Nil
Mr. P. B. Balaji (DIN: 02762983)	Non-Executive	One Equity share jointly with TMF Holdings Limited
Mr. Shyam Mani (DIN: 00273598)	Non-Executive	One Equity share jointly with TMF Holdings Limited
Mr. Samrat Gupta (DIN: 07071479)	Managing Director & CEO	One Equity share jointly with TMF Holdings Limited

As on March 31, 2022, the Company has outstanding 723,00,000 Compulsory Convertible Preference Shares of Rs. 100 each which are held by Holding Company of the Company i.e. TMF Holdings Limited.

x. The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Entrepreneur / Leadership	Extended entrepreneurial / leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
Financial Expertise	Education and experience as an Auditor or Public Accountant or a principal financial officer, comptroller or principal accounting officer or holding a position involving performance of similar functions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
NBFC Industry Experience	A significant background in NBFC industry, resulting in knowledge of how to anticipate market trends, generate disruptive innovation and extend or create new business models.
Information Technology	Development of digital solutions for customers and cyber security assurance.
Diversity	Representation of gender, cultural or other perspectives that expands the Board understanding of the needs and viewpoints of our customers, partners, employees, governments and other stake holders.

Name of the Director	Skill I Entrepreneur / Leadership	Skill II Financial Expertise	Skill III Strategy and Planning	Skill IV Governance	Skill V NBFC Industry Experience	Skill VI Information Technology	Skill VII Diversity
Mr. Nasser Munjee (Chairman)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P. S. Jayakumar	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Vedika Bhandarkar	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Varsha Purandare	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P. B. Balaji	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Shyam Mani	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Samrat Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes

III. 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, Corporate Social Responsibility (CSR) Committee, Asset Liability Supervisory Committee, Risk Management Committee, Stakeholders Relationship Committee, Information Technology (IT) Strategy Committee and Lending 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.

1) <u>Audit Committee</u>

As on March 31, 2022, the Audit Committee comprises Three (3) Independent Directors viz. Mr. P. S. Jayakumar (Chairman), Mrs. Vedika Bhandarkar, Mrs. Varsha Purandare and One (1) Non-Executive Director, Mr. P. B. Balaji.

During the year under review, following changes occurred in composition of Audit Committee:

- Mrs. Varsha Purandare has been appointed as an Independent Director w.e.f. June 16, 2021 and as a member of Audit Committee.

- Mr. Shyam Mani was appointed as a Member of Audit Committee w.e.f. June 16, 2021 and stepped down as a Member of Audit Committee w.e.f. November 12, 2021.
- Mrs. Vedika Bhandarkar stepped down as Chairperson and continuing as a Member of Audit Committee w.e.f. December 17, 2021.
- Mr. P. S. Jayakumar has been appointed as a Chairman of Audit Committee w.e.f. December 17, 2021.

The composition of the Audit Committee is in line with the provisions of Section 177 of the Act and SEBI (LODR) Regulations, 2015. All the Members have the ability to read and understand financial statements and have relevant finance and/or audit experience.

The Board has adopted the Corporate Governance Guidelines 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 the SEBI and RBI.

The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,—

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matter;
- The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.

As per Regulation 18 of SEBI (LODR) Regulations, 2015:
The role of the Audit Committee shall include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financialstatement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company; (as also provided in the Act)
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon (as also provided in the Act) before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

    - Changes, if any, in accounting policies and practices andreasons for the same
    - Major accounting entries involving estimates based on the exercise of judgment by management
    - Significant adjustments made in the financial statements arising out of audit findings
    - Compliance with listing and other legal requirements relating to financial statements
    - Disclosure of any related party transactions
    - Qualification in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) (as also provided in the Act), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process; (as also provided in the Act)
- Approval or any subsequent modification of transactions of the company with related parties; (as also provided in the Act)
- Scrutiny of inter-corporate loans and investments; (as also provided in the Act)
- Valuation of undertakings or assets of the company, wherever it is necessary; (as also provided in the Act)
- Evaluation of internal financial controls and risk management systems; (as also provided in the Act)
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;

- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Additionally, the Audit Committee of the Board of a Tata company will also need to:

- Oversee financial reporting controls and process for material subsidiaries.
- Oversee compliance with legal and regulatory requirements including the Tata Code of Conduct ("TCoC") for the company and its material subsidiaries.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs.

During the year under review, Eleven (11) meetings were held on April 09, 2021, April 30, 2021, May 11, 2021, July 20, 2021, August 23, 2021, September 07, 2021, October 18, 2021, December 14, 2021, January 25, 2022, February 25, 2022 and March 21, 2022. The composition of the Audit committee and the attendance of its members at its meetings held during FY 2021-22 are given below:

Name of Member	**Category**	**No. of Meetings**	
		Held	**Attended**
Mr. P. S. Jayakumar[i]	Independent Director (Chairman)	11	11
Mrs. Vedika Bhandarkar[ii]	Independent Director	11	10
Mrs. Varsha Purandare[iii]	Independent Director	11	7
Mr. P. B. Balaji	Non-Executive Director	11	11
Mr. Shyam Mani[iv]	Non-Executive Director	11	4

i. Appointed as a Chairman w.e.f. December 17, 2021.
ii. Stepped down as Chairperson and continuing as a Member w.e.f. December 17, 2021.
iii. Appointed as a Member w.e.f. June 16, 2021.
iv. Appointed as a Member w.e.f. June 16, 2021 and stepped down w.e.f. November 12, 2021.

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 and Tata Motors Limited, Chief Financial Officer and Company Secretary. The minutes of the Audit Committee meetings forms 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.

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

The Nomination and Remuneration Committee of Directors has been constituted to ensure appointment of directors with ‘fit and proper’ credentials and to review the performance of the Managing Director & CEO/Key Managerial Personnel and direct reportees of MD & CEO to review and recommend remuneration/compensation packages for employees, to decide remuneration payable to the directors, to formulate and administer Long Term Incentive Plans, if any and to review employee compensation vis-à-vis industry practices and trends.

As of March 31, 2022, the Nomination and Remuneration Committee comprises Five (5) Directors namely Mrs. Vedika Bhandarkar (Chairperson), Mr. Nasser Munjee, Mr. P. S. Jayakumar, Independent Directors and Mr. P. B. Balaji & Mr. Shyam Mani, Non-Executive Directors.

During FY 2021–22, Four (4) meetings of the NRC were held on April 30, 2021, May 11, 2021, November 12, 2021 and March 04, 2022. The composition of the NRC and the attendance of its members at its meetings held during FY 2021-22 are given below:

Name of the member	Category	No. of meetings	
		Held	Attended
Mrs. Vedika Bhandarkar	Independent Director (Chairperson)	4	4
Mr. Nasser Munjee	Independent Director	4	4
Mr. P. S. Jayakumar[i]	Independent Director	4	2
Mr. P. B. Balaji	Non-Executive Director	4	4
Mr. Shyam Mani	Non-Executive Director	4	4

i. Appointed as a Member w.e.f. June 16, 2021.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

NRC/Remuneration Policy:

The philosophy for remuneration of directors, Key Managerial Personnel (“KMP”) and all other employees of Tata Motors Finance Limited (“the Company”) is based on the commitment of fostering a culture of Leadership with Trust. The remuneration policy is aligned to this philosophy.

The remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”). While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentive (variable component) to its Managing Director & CEO. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members (wherever applicable) and are effective April 1, each year.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the remuneration payable to other Directors for the financial year within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Director. The Company pays sitting fees to Independent Directors and Non-Executive Directors who are not in employment in Tata Group Companies, as approved by the Board of Directors.

The Remuneration policy is available on the website of the Company i.e.www.tmf.co.in/ investor zone.

3) Risk Management Committee (RMC)

The Risk Management Committee of Directors manages the integrated risks of the Company. As of March 31, 2022, Risk Management Committee comprises Five (5) Directors namely Mr. P. S. Jayakumar (Chairman), Mrs. Varsha Purandare, Mr. P. B. Balaji, Mr. Shyam Mani and Mr. Samrat Gupta.

During FY 2021-22, Four (4) meetings of the RMC were held on June 18, 2021, September 29, 2021, December 17, 2021 and March 21, 2022. The composition of the RMC and the attendance of its members at its meetings held during FY 2021-22 are given below:

Name of Member	**Category**	**No. of Meetings**	
		Held	**Attended**
Mr. P. S. Jayakumar	Independent Director (Chairman)	4	4
Mrs. Vedika Bhandarkar[i]	Independent Director	4	2
Mrs. Varsha Purandare[ii]	Independent Director	4	4
Mr. P. B. Balaji	Non-Executive Director	4	4
Mr. Shyam Mani	Non-Executive Director	4	4
Mr. Samrat Gupta	Managing Director & CEO	4	4

i. Stepped down as a Member w.e.f. November 12, 2021.
ii. Appointed as a Member w.e.f. June 16, 2021.

4) Asset Liability Supervisory Committee (ALCO)

The Asset Liability Supervisory Committee of Directors oversees the implementation of the Asset Liability Management system and periodically reviews 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, 2022, Asset-Liability Supervisory Committee comprises Six (6) Members namely Mr. P. S. Jayakumar (Chairman), Mrs. Varsha Purandare, Mr. P. B. Balaji, Mr. Shyam Mani, Mr. Samrat Gupta (Managing Director & CEO) and Ms. Ridhi Gangar, (Group CFO).

During FY 2021-22, Four (4) meetings of the ALCO were held on June 18, 2021, September 29, 2021, December 17, 2021 and March 21, 2022. The composition of the ALCO and the attendance of its members at its meetings held during FY 2021-22 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. P. S. Jayakumar	Independent Director (Chairman)	4	4
Mrs. Vedika Bhandarkar[i]	Independent Director	4	2
Mrs. Varsha Purandare[ii]	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
Ms. Ridhi Gangar	Group Chief Financial Officer	4	3

i. Stepped down as a Member w.e.f. November 12, 2021.
ii. Appointed as a Member w.e.f. June 16, 2021.

5) 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 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 has 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, 2022, the Corporate Social Responsibility (CSR) Committee of the Board consist of Three (3) Directors namely Mr. Nasser Munjee, Chairman, Mr. Shyam Mani and Mr. Samrat Gupta.

During FY 2021-22, Two (2) meetings of the CSR Committee were held on September 06, 2021 and March 21, 2022. The composition of the CSR Committee and the attendance of its members at its meetings held during FY 2021-22 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Nasser Munjee[i]	Independent Director (Chairman)	2	2
Mr. Shyam Mani	Non- Executive Director	2	2
Mr. Samrat Gupta	Managing Director & CEO	2	2
Mrs. Vedika Bhandarkar[ii]	Independent Director	2	1

i. Appointed as a Chairman w.e.f. November 12, 2021.
ii. Stepped down as a Member and Chairperson w.e.f. November 12, 2021.

6) 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, 2022, Stakeholders' Relationship Committee (SRC) consist of Three (3) members namely Mr. P. S. Jayakumar (Chairman), Mr. Shyam Mani and Mr. Samrat Gupta.

During FY 2021-22, Two (2) meetings of the SRC were held on October 20, 2021 and March 04, 2022. The composition of the SRC and the attendance of its members at its meetings held during FY 2021-22 are given below:

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

Stakeholders' Relationship Committee – other details

a. Name, designation and address of Compliance Officer:
Mr. Vinay Lavannis
Company Secretary
Building A, 2nd Floor, Lodha I Think Techno Campus, Off. Pokharan Road No 2, Thane (West) 400 601.
Board Line 91 22 6181 5400
Email: vinay.lavannis@tmf.co.in

b. Details of Investor Complaints received and redressed during FY 2021-2022 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

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

Information Technology (IT) Strategy Committee (ITSC) has been constituted 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.

As on March 31, 2022, the IT Strategy Committee (ITSC) comprises Four (4) members namely Mrs. Varsha Purandare (Chairperson), Mr. P. S. Jayakumar, Mr. P. B. Balaji and Mr. Shyam Mani. Mr. Samrat Gupta (MD & CEO), Mr. Alok Chadha, Mr Anand Bang, Ms. Ridhi Gangar (Group CFO) and Mr. Ramesh Chandra (CIO) are permanent invitees for the meetings of ITSC.

During FY 2021-22, Two (2) meetings of the ITSC were held on August 23, 2021 and February 01, 2022. The composition of the ITSC and the attendance of its members at its meetings held during FY 2021-22 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mrs. Varsha Purandare[i]	Independent Director & Chairperson	2	1
Mr. P. S. Jayakumar	Independent Director	2	1
Mr. P. B. Balaji	Non-Executive Director	2	2
Mr. Shyam Mani[ii]	Non-Executive Director	2	2
Mrs. Vedika Bhandarkar[iii]	Independent Director	2	1

i. Appointed as a Member w.e.f. June 16, 2021 and as a Chairperson w.e.f. November 12, 2021.
ii. Appointed as a Member w.e.f. June 16, 2021.
iii. Stepped as a Chairperson and Member w.e.f. November 12, 2021.

8) <u>Lending Committee:</u>

Lending Committee of the Board has been constituted to consider big ticket financing proposals. Pursuant to the provisions of Section 179 of the Companies Act, 2013 ("Act"), the directors of a company are, *inter alia*, required to exercise the power of granting loans on behalf of the company, by means of resolutions passed at Meetings of the Board. Further, the Board of Directors may, by way of a resolution, delegate the aforesaid powers to any committee of directors, the managing director, the manager, or any other principal officer of the company. Accordingly Lending Committee of the Board has been constituted on November 12, 2021.

Role of the Lending Committee is as under:

- To approve retail financing proposals upto prescribed limit by the Board of Directors.
- To reschedule / modify the terms of the related loan agreements regarding interest and/ or principal in accordance with the then applicable Regulatory guidelines.

As on March 31, 2022, the Lending Committee comprises Four (4) members namely Mr. P. S. Jayakumar (Chairman), Mrs. Varsha Purandare, Mr. Shyam Mani and Mr. Samrat Gupta.

During FY 2021-22 no meeting of the Lending Committee was held.

IV. Details of the Remuneration for the year ended March 31, 2022:

a. Independent Directors and Non-Executive Director:

The Company has paid Sitting Fees and Remuneration by way of Commission to Independent Directors and Mr. Shyam Mani, Non-Executive Director for attending meetings of the Board and the

Committees of the Board during FY 2021-22. Details of Sitting Fees and remuneration paid are given below:

Name of Director	Sitting Fees paid for attending Board and Committee Meetings during FY 2021-22 (Rs.)	Remuneration paid during FY 2021-22 for FY 2020-21 (Rs.)
Mr. Nasser Munjee	8,60,000/-	40,00,000/-
Mr. P. S. Jayakumar	16,20,000/-	30,00,000/-
Mrs. Vedika Bhandarkar	14,30,000/-	40,00,000/-
Mrs. Varsha Purandare	11,50,000/-	-
Mr. P. B. Balaji*	-	
Mr. Shyam Mani	13,90,000/-	-

*In line with the internal guidelines of the Company, no payment is made towards remuneration or sitting fees to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Group Company.

Notes:
Mrs. Varsha Purandare has been appointed as an Independent Director w.e.f. June 16, 2021.

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 fees and remuneration as mentioned above.

b. Managing Director and Chief Executive Officer:

During FY 2021-22, remuneration of Rs. 506.34 lakhs was paid to Mr. Samrat Gupta, Managing Director & CEO.

Services of the Managing Director and CEO may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance pay.

V. General Body Meetings

i. General Meeting

a. Annual General Meeting (AGM)

Financial Year for which AGM was held	Date	Time	Venue	Whether any special resolutions passed
F.Y. 2020-21	Tuesday, August 31, 2021	11.15 A.M.	Meeting held through video conferencing facility. Deemed venue was registered office of the Company.	Yes
F.Y. 2019-20	Monday, September 21, 2020	10.30 A.M	Meeting held through video conferencing facility. Deemed venue was registered office of the Company.	Yes

F.Y. 2018-19	Friday, June 28, 2019	10:00 AM	Registered Office of the Company at, Tata Motors Finance Limited, 106- 10th Floor, Maker Chambers III, Nariman Point, Mumbai 400 021.	Yes

b. **Extraordinary General Meeting**:

Details of Extraordinary General Meetings of the members held during FY 21-22 are as under:

Date of EGM held during FY 2020-21	Time	Venue	Whether special resolution passed
Tuesday, May 11, 2021	10.00 A.M	Meeting held through video conferencing facility. Deemed venue was registered office of the Company.	Yes
Friday, November 12, 2021	5.30 P.M	Meeting held through video conferencing facility. Deemed venue was registered office of the Company.	No special resolution was proposed.
Friday, March 04, 2022	5.40 P.M	Meeting held through video conferencing facility. Deemed venue was registered office of the Company.	Yes

ii. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot: **Not Applicable.**

iii. Details of special resolution proposed to be conducted through postal ballot: **Not Applicable.**

VI. A certificate has been received from M/s SG and Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

VII. Pursuant to RBI Circular No. 2021-22/25 dated April 27, 2021, the Board of Directors of the Company at their meeting held on October 20, 2021 has approved the appointment of

1. M/s Sharp & Tannan Associates, Chartered Accountants, (Firm Registration No.109983W),

2. M/s G M Kapadia & Co, Chartered Accountants, (Firm Registration No. 104767W),

as joint Statutory Auditors of Tata Motors Finance Limited commencing from Q3 FY 21-22 and will hold the office until the conclusion of the Annual General Meeting of the Company to be held in the year 2024 which was subsequently approved by the Shareholders at their Extra-Ordinary General Meeting held on November 12, 2021.

The details of fees paid by the Company to auditors are as under:

(Rs. lakh)

Particulars	For the year ended March 31, 2022
As auditors - statutory audit	1,87.02
Tax audit	6.92
For other services	12.05
Reimbursement of out of pocket expenses	5.79
Total	2,11.78

VIII. Other Disclosure

Particulars	Regulations	Details	Website link for details/policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.	www.tmf.co.in
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (C) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three financial years.	NA

Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	www.tmf.co.in
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	a. Mr. Nasser Munjee, Chairman does not maintain any separate office. b. The auditors' report on financial statements of the Company are unqualified. c. The Company is having separate posts of Chairman and the Managing Director & Chief Executive Officer. Mr. Nasser Munjee is Independent Director and not related to Mr. Samrat Gupta, Managing Director & Chief Executive Officer. d. Chief Internal Auditor has direct functional reporting to Audit Committee.	NA
Subsidiary Companies	Regulation 24 of the SEBI Listing Regulations	The Company does not have any subsidiary Company.	NA
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents.	www.tmf.co.in
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2022. The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.	www.tmf.co.in

Terms of Appointment of Independent Directors	Regulation 62 (1A) of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment /re-appointment of Independent Directors are available on the Company's website.	www.tmf.co.in
Familiarization Program	Regulations 25(7) and 62 (1A) (i) of SEBI Listing Regulations	The Company conducts induction programme for Directors.	The details will be uploaded at www.tmf.co.in as and when any Director joins the Board.
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	Clause I Part C Schedule V of SEBI LODR	No complaint was filed during the year under this Policy.	NA
Disclosure of 'Loans and advances in the nature of loans to firms/companies in which directors are interested	Clause m Part C Schedule V of SEBI LODR	Nil	NA

IX. Means of Communication

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which include THE FREE PRESS JOURNAL (English newspaper) and Nav Shakti (Marathi regional newspaper). The results are also displayed on the Company's website i.e.www.tmf.co.in/investor zone/ TMFL financial results. Financial Results, Statutory Notices and Press Releases after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website.

X. General shareholder information

i. Annual General Meeting for FY 2022

Date: June 24, 2022
Time: 04:15 p.m. (IST)
Venue: Meeting through Video Conference

ii. **Financial Calendar**

Year ending: April 1 to March 31
Dividend Payment: NA

iii. **Date of Record Date**: NA

iv. **Listing on Stock Exchanges**:

Non-Convertible Debentures are listed on below Stock Exchanges:

National Stock Exchange of India Ltd (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai – 400001

Commercial Papers issued by the Company are listed on the National Stock Exchange of India Ltd (NSE).

v. **Stock Codes/Symbol**

NSE : Nil
BSE : 960191

The Company has paid Annual Listing fees for FY 2021-22 to both the above Stock Exchanges where the Company's securities are listed.

vi. **Corporate Identity Number (CIN) of the Company:**
U45200MH1989PLC050444

vii. **Market Price Data: Not applicable since Company's Equity shares are not listed**

viii. Registrars and Transfer Agents
Name and Address:

TSR Consultants Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai - 400083
Tel: +91-22-66568484
Fax: +91-22-66568494
Email: csg-unit@tcplindia.co.in
Website: https://www.tcplindia.co.in

ix. Place for acceptance of Documents/ address for correspondence:

Mr. Vinay Lavannis, Company Secretary
Building A, 2nd Floor, Lodha I Think Techno Campus, Off. Pokharan Road No 2, Thane (West) 400 601.

For the convenience of the securityholders, documents will also be accepted at the following branches/agencies of TCPL:

Place	Name and Address	Phone / Fax / Email
Mumbai	**Registered Office** TSR Consultants Private Limited C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai – 400083	Tel: +91-22-66568484 Fax: +91-22-66568494 Email : csg-unit@tcplindia.co.in Website : https://www.tcplindia.co.in

x. **Securities Transfer System**:

All the securities issued by the Company are in demat form. Transfers of securities in electronic form are affected through the depositories with no involvement of the Company. All request to approve transfers of Equity shares are noted at subsequent Board Meetings/ Stake holders relationship committee.

The following compliances pertain to share transfers, grievances, etc.:

(1) Pursuant to Regulation 7(3) of the SEBI Listing Regulations, certificates are filed with the stock exchanges on yearly basis by the Compliance Officer and the representative of the Registrar and Share Transfer Agent for maintenance of an appropriate Securities transfer facility.

(2) Pursuant to Regulation 13 of the SEBI Listing Regulations, a statement on pending investor complaints is filed with the stock exchanges and placed before the Board of Directors on a quarterly basis.

(3) Pursuant to Regulation 61(4) read together with Regulation 40(9) of the SEBI Listing Regulations, a Certificate by the Company Secretary-in-Practice is filed with the stock exchanges within one month from the end of the financial year, certifying that since all the Debentures were issued by the Company in Demat form, no physical debenture certificate were required to be delivered during the period from April 1, 2021 to March 31, 2022 pursuant to Regulation 61(4) read with Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

xi. Shareholder as on *March 31, 2022*:

a. Categories of equity shareholding as on *March 31, 2022*

Category	Number of equity shares held	Percentage of holding
Promoters	60,827,689	100
Other Entities of the Promoter Group	Nil	Nil
Mutual Funds & UTI	Nil	Nil
Banks, Financial Institutions, States and Central Government	Nil	Nil
Insurance Companies	Nil	Nil
Foreign Institutional Investors and Foreign Portfolio Investors – Corporate	Nil	Nil
NRI's / OCB's / Foreign Nationals	Nil	Nil
Corporate Bodies / Trust	Nil	Nil
Indian Public & Others	Nil	Nil
Alternate Investment Fund	Nil	Nil
IEPF account	Nil	Nil
Grand Total	**60,827,689**	**100**

b. Top ten equity shareholders of the Company as on *March 31, 2022*:

Name of the Shareholder	Number of Shares held	Amt paid up (Rs)	% of Total
TMF Holdings Limited	59,005,666	59,00,566,600	97.00
TMF Holdings Limited J/W Mr. P.B. Balaji	1	100	
TMF Holdings Limited J/W Mr. Shyam Mani	1	100	
TMF Holdings Limited J/W Mr. Samrat Gupta	1	100	
TMF Holdings Limited J/W Mr. Anand Bang	1	100	
TMF Holdings Limited J/W Mr. Vinay Lavannis	1	100	
TMF Holdings Limited J/W Mr. Alok Chadha	1	100	

TMF Holdings Limited J/W Mr. Rohit Sarda	1	100	
Tata Motors Finance Solutions Limited	1,822,016	1,82,201,600	3.00
Total	**60,827,689**	**60,82,768,900**	**100.00**

xii. Dematerialization of Shares and Liquidity:

The Company's shares are not listed and traded on any stock exchange. However, equity shares of the Company representing 100% of the Company's equity share capital are dematerialized as on March 31, 2022. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity shares is INE601U01015.

xiii. Equity Shares in the Suspense Account: Not applicable

xiv. Transfer of Unclaimed/Unpaid Amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") to be read with Clause 61A of SEBI (LODR), all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits, sale proceeds of fractional shares, redemption amount of preference shares, etc. pertaining to the Company remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have to be transferred to the IEPF Authority, established by the Central Government. Furthermore, the IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a period of 7 consecutive years to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of the Court, Tribunal or Statutory Authority, restraining any transfer of shares.

In light of the aforesaid provisions, the Company has not transferred any amount to IEPF during the year under review.

In the interest of the securities holders, the Company sends periodical reminders to the securities holders to claim their dividends/ interest/ principal amount in order to avoid transfer of dividends/interest/ principal amount on NCDs to IEPF Authority. The details of unclaimed amount are placed on website of the Company i.e.www.tmf.co.in/investor zone.

xv. Plant locations: Not Applicable

xvi. Address for correspondence:
Mr. Vinay Lavannis, Company Secretary
Building A, 2nd Floor, Lodha I Think Techno Campus, Off. Pokharan Road No 2, Thane (West) 400 601

xvii. List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad.

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

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

NASSER MUNJEE
Chairman
DIN: 00010180

Date: May 24, 2022

Declaration by the MD & CEO on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, *Samrat Gupta*, Managing Director and CEO of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2021-22.

For **TATA MOTORS FINANCE LIMITED**

SAMRAT GUPTA
Managing Director and CEO
(DIN: 07071479)

Date: May 24, 2022

Place: Mumbai

MD & CEO/CFO Certification in respect of Financial Statements and Cash Flow Statement (pursuant to regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 For the Financial Year ended March 31, 2022

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2022 and we hereby certify and confirm to the best of our knowledge and belief the following:

a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

c. There are no transactions entered in to by the Company during the year ended 31st March 2022 which are fraudulent, illegal or violative of Company's Code of Conduct.

d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.

f. That there have been no significant changes in the accounting policies during the relevant period.

g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

For **TATA MOTORS FINANCE LIMITED**

SAMRAT GUPTA
Managing Director and CEO
DIN : 07071479

RIDHI GANGAR
Chief Financial Officer

Date: May 24, 2022
Place: Mumbai

CERTIFICATE FROM PRACTICING COMPANY SECRETARY
(Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
TATA MOTORS FINANCE LIMITED
14, 4th Floor, Sir H.C. Dinshaw Building
16, Horniman Circle, Fort,
Mumbai-400001.

Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and on the basis of the declaration received from the Directors of Tata Motors Finance Limited (the 'Company'), I, Suhas Sadanand Ganpule, Company Secretary in Practice hereby declare that the under stated Directors of the Company are not debarred or disqualified from being appointed or to continue as Directors of the Company by the SEBI/ Ministry of Corporate Affairs or any other Statutory Authority for the year ended March 31, 2022:

Name of the Director	DIN
MR. NASSER MUKHTAR MUNJEE	00010180
MR. PALAMADAI SUNDARARAJAN JAYAKUMAR	01173236
MRS. VEDIKA BHANDARKAR	00033808
MRS. VARSHA VASANT PURANDARE	05288076
MR. PATHAMADAI BALACHANDRAN BALAJI	02762983
MR. SHYAM MANI	00273598
MR. SAMRAT GUPTA	07071479

For SG & Associates
Practicing Company Secretaries

Suhas Ganpule
Proprietor
Membership No: A12122
C. P. No: 5722
UDIN: A012122D000373626

Date: 24th May 2022
Place: Mumbai

Practising Company Secretary's Certificate on Corporate Governance

To the Members of
Tata Motors Finance Limited

I have examined the compliance of the conditions of Corporate Governance by Tata Motors Finance Limited ('the Company') for the year ended on March 31, 2022 as stipulated in as stipulated in regulations 17 to 27 and sub-regulation (1A) of Regulation 62 and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and as made applicable to the Company effective September 7, 2021 on a comply or explain basis until March 31, 2023, and the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of SEBI Listing Regulations.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.

Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and sub-regulation (1A) of Regulation 62 and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2022.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S G and Associates
Practicing Company Secretary

Suhas S Ganpule
Proprietor
FCS No. 12122
CP No. 5722
UDIN No:A012122D000373626

Place: Mumbai
Date: May 24, 2022

G. M. Kapadia & Co.
Chartered Accountants
1007, Raheja Chambers
213, Nariman Point
Mumbai – 400 021

Sharp & Tannan Associates
Chartered Accountants
87 Nariman Bhavan
227 Nariman Point,
Mumbai – 400 021

INDEPENDENT AUDITORS' REPORT

To the Members of Tata Motors Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Tata Motors Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 44 to the Standalone Financial Statements in which the Company describes the continuing uncertainties arising from the COVID 19 pandemic.

We also draw attention to note no. 33(IV) to the Standalone Financial Statements in connection with excess remuneration paid to the Managing Director of the Company which is proposed to be regularised by seeking approval of the shareholders of the Company.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone 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

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Impairment of loans to customers</td></tr>
<tr><td>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 judgements 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 ECL’s are:
• Staging of loans [i.e. classification in ‘significant increase in credit risk’ (‘SICR’) and ‘default’ categories]
• Model estimations – the most significant judgement aspects is determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”)
• Grouping of borrowers based on homogeneity by using appropriate statistical techniques
• Determining macro-economic factors impacting credit quality of receivables
• Estimation of losses for loan assets with no/ minimal historical defaults
• Additional considerations on account of COVID-19
ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecast of future economic conditions which could impact the credit quality of the Company’s loans and advances.
In view of such high degree of Management’s judgement involved in estimation of ECL, it is a key audit matter.</td><td>Our key audit procedures included:
➢ Review of the Company’s accounting policies for impairment of loan assets in terms of accounting principles laid down in Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued from time to time.
➢ Review of implementation of policy relating to Resolution Framework for COVID-19 related stress announced by RBI
➢ Understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. So as to evaluate the reasonableness of the Management estimates.
➢ Assessed the criteria for staging of loans based on their past due status. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages.
➢ Performed analytical reviews of disaggregated data to observe any unusual trends warranting additional audit procedures;
➢ Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Company’s policy on one-time restructuring.
➢ Tested the ECL model, including assumptions and underlying computation.
➢ Tested assumptions used by the Management in determining the overlay for macro-economic factors (including COVID-19 pandemic).
Assessed disclosures included in the standalone financial statements in respect of expected credit losses.</td></tr>
<tr><td colspan="2">IT systems and controls</td></tr>
<tr><td>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</td><td>➢ We tested the design and operating effectiveness of the Company’s IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.</td></tr>
</table>

accounting and reporting records being materially misstated. Accordingly, we identified IT systems and controls over financial reporting as a key audit matter for the Company.	➢ Review of internal reports and samples used for testing of IT related general controls ➢ We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. ➢ We tested requests of changes to systems for approval and authorization. We also tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report (including annexures thereto), Business Responsibility Statement and Management Discussion and Analysis ("MD&A") (collectively referred to as "other information") but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

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

We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone 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 Standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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 that were of most significance in the audit of the Standalone 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 consequences of 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 section 143(3) of the Act, based on our audit on the separate financial statements, we report that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company.

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

   d) In our opinion, the aforesaid Standalone 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the Internal Financial Controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statement.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended 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 on its financial position in its Standalone Financial Statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 46(j) no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 46(k), no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration. No.: 104767W)

Atul Shah
Partner
Membership No.: 039569
UDIN: 22039569AIAHZG9738
Date: April 28, 2022
Place: Mumbai

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration. No.: 109983W

Tirtharaj Khot
Partner
Membership No.: 037457
UDIN: 22037457AIAJRM2268
Date: April 28, 2022
Place: Mumbai

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Tata Motors Finance Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the Management, which in our opinion, is reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements under the head "Buildings" are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) is not applicable.

(ii) (a) the Company does not hold any inventory as it is primarily engaged in lending activities. Accordingly, reporting under paragraph 3(ii)(a) of the Order is not applicable.

(b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) The Company is a non-deposit taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI").

During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee / security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees / security and loans and advances:

(a) As the principal business of the Company is to give loans, the paragraph 3(iii)(a) of the Order is not applicable to the Company;

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided in the normal course of business are not prejudicial to the interest of the Company;

(c) In respect of loans and advances in the nature of loans granted during the year in the ordinary course of business, the schedule of repayment of principal and payment of interest have been stipulated and the repayment of loan and receipts of interest are generally regular except there were cases which were not repaid / paid when they were due or were repaid / paid with a delay. Such loans have been accounted for in accordance with the Company's policy on asset classification and provisioning as described in note 1(xv) to the standalone financial statements.

Having regard to the voluminous nature of loan transactions, it is not practicable to furnish party-wise details of irregularities in this report. However, such details are available with the Company. For details of total loans and advances which were overdue as of March 31, 2022, refer note 42 to the standalone financial statements.

(d) The following amounts are overdue for more than ninety days from companies or any other parties to whom loan has been granted. The Company has taken reasonable steps for recovery of the overdue amount of principal and interest.

[Stated Rs. In lakhs]

Number of Cases	**Principal Amount Overdue**	**Interest Overdue**	**Total Overdue**
55,295	854.31	214.66	1,068.97

(e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the Company as its principal business is to give loans.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) The Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and 186 of the Companies Act, 2013. Hence reporting under paragraph 3(iv) of the Order is not applicable.

(v) The Company is a non-banking finance company and consequently is exempt from provisions of section 73 or any other relevant provisions of the Companies Act. Accordingly, reporting under paragraph 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Hence reporting under paragraph 3 (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues, as applicable, to the appropriate authorities. According to the information and explanations given to us and based on verification carried out by us on test basis, there are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.

(b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on March 31, 2022, on account of dispute are given below:

(Rs. in lakhs)

Name of the statute	Nature of dues	Amount involved	Amount unpaid	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	VAT	1,005.28	335.09	F.Y 2007-08 to 2012-13	High Court of Andhra Pradesh
Andhra Pradesh Value Added Tax Act, 2005	Penalty on VAT	1,005.28		F.Y 2007-08 to 2012-13	High Court of Andhra Pradesh
Andhra Pradesh Value Added Tax Act, 2005	VAT	2,213.49	737.83	F.Y 2013-14 to 2016-17	High Court of Andhra Pradesh
Andhra Pradesh Value Added Tax Act, 2005	Penalty on VAT	2,213.49		F.Y 2013-14 to 2016-17	High Court of Andhra Pradesh
West Bengal Value Added Tax Act, 2005	VAT	365.00		FY 2007- 08 and FY 2011-12	Supreme Court of India
Madhya Pradesh Value Added Tax Act, 2006	Entry Tax	79.42	31.76	F.Y 2013-14	Appellate Authority, Bhopal
Jharkhand Value Added Tax Act, 2005	VAT	21.11		F.Y 2012-13	Joint Commissioner, Jharkhand
Rajasthan Value Added Tax Act, 2003	VAT	2.91		F.Y. 2014-15	Assistant Commissioner, Rajasthan Commercial tax
Rajasthan Value Added Tax Act, 2003	VAT	11.39		F.Y. 2015-16	Assistant Commissioner, Rajasthan Commercial tax

Goods and Service Tax Act, 2017	GST	10.66	0.86	F.Y. 2018-19	Assistant Commissioner of State tax
Goods and Service Tax Act, 2017	GST	114.72	7.17	F.Y. 2018-19	Deputy Commissioner of State tax
Goods and Service Tax Act, 2017	GST	42.41		F.Y. 2019-20	State Tax officer
Goods and Service Tax Act, 2017	GST	323.27	323.27	F.Y. 2019-20	Assistant Commissioner of State tax

(viii) There are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(c) The term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.

(d) According to the information and explanations given to us and based on verification carried out by us, funds raised on short term basis have not been utilised for long term purposes.

(e) The Company does not have subsidiary, associate, or joint venture. Accordingly, reporting on paragraph 3(ix)(e) of the Order is not applicable.

(f) The Company does not have subsidiary, associate, or joint venture. Accordingly, reporting on paragraph 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised monies by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year.

(b) The Company has not made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under audit and hence reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Except for cases aggregating to Rs. 138.71 lakhs which largely pertains to cheating, forgery, 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.

(b) No report under section 143(12) of the Companies Act, 2013 has been filed during the year by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) No whistle-blower complaints were received during the year by the Company.

(xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.

(xiii) 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ("RBI Act") and it has obtained the registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the RBI as the Company has been registered throughout the year.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on paragraph 3(xvi)(c) of the Order is not applicable.

(d) As informed to us, the Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

(xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) During the year, consequent to the issuance of the Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 by the RBI, the predecessor auditors resigned as they had completed three continuous years as statutory auditors of the Company. The predecessor statutory auditors have confirmed to us that they were not aware of reasons as to why we should not accept the statutory audit engagements of the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Special account till the date of our report. However, the time period for such transfer i.e. 30 days from the end of the financial year as permitted under section 135(6) of the Act, has not elapsed till the date of our report.

(xxi) The Company does not have subsidiary, associate or joint venture hence is not required to prepare consolidated financial statements. Accordingly, reporting on paragraph 3(xxi) of the Order is not applicable

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration. No.: 104767W)

Atul Shah
Partner
Membership No.: 039569
UDIN: 22039569AIAHZG9738

Date: April 28, 2022
Place: Mumbai

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration. No.: 109983W

Tirtharaj Khot
Partner
Membership No.: 037457
UDIN: 22037457AIAJRM2268

Date: April 28, 2022
Place: Mumbai

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Tata Motors Finance Limited of even date)

Report on the Internal Financial Controls under section 143(3)(i) of the Act

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of **Tata Motors Finance Limited** (''the Company'') as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2022, based on the internal control with reference to Standalone 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration. No.: 104767W)

Atul Shah
Partner
Membership No.: 039569
UDIN: 22039569AIAHZG9738

Date: April 28, 2022
Place: Mumbai

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration. No.: 109983W

Tirtharaj Khot
Partner
Membership No.: 037457
UDIN: 22037457AIAJRM2268

Date: April 28, 2022
Place: Mumbai

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)
Balance Sheet as at March 31, 2022

(₹ in lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	**5**	2498,96.81	4266,10.87
(b) Bank Balance other than cash and cash equivalents	**6**	434,22.56	987,70.41
(c) Derivative financial instruments	**14**	87,64.13	26,35.94
(d) Receivables			
i. Trade receivables	**7**	28,21.91	60,56.04
ii. Other receivables	**8**	7,12.09	6,87.71
(e) Loans	**9**	28203,78.66	30048,73.21
(f) Investments	**10**	1247,30.51	242,32.84
(g) Other financial assets	**11**	717,19.98	544,58.43
		33224,46.65	**36183,25.45**
2 Non-financial assets			
(a) Current tax assets (net)		157,20.72	109,94.33
(b) Deferred tax assets (net)		191,94.87	149,46.38
(c) Property, plant and equipment	**12A**	209,52.10	235,83.16
(d) Capital work-in-progress		-	-
(e) Other intangible assets	**12B**	3,21.62	4,61.83
(f) Other non-financial assets	**13**	123,58.80	132,29.57
		685,48.11	**632,15.27**
3 Assets held for sale		**426,50.37**	**-**
Total assets		**34336,45.13**	**36815,40.82**
II LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Derivative financial instruments	**14**	19,79.51	41,04.19
(b) Payables	**15**		
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		8,87.68	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		201,82.42	262,83.40
(ii) Other payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		124,32.42	47,65.24
(c) Debt securities	**16**	8049,37.43	8334,87.69
(d) Borrowings (Other than debt securities)	**17**	18695,89.37	21098,90.94
(e) Subordinated liabilities	**18**	1500,55.82	1654,93.19
(f) Other financials liabilities	**19**	786,27.52	736,54.67
		29386,92.17	**32176,79.42**
2 Non-financial liabilities			
(a) Current tax liabilities (net)		53.31	53.31
(b) Provisions	**20**	80,70.89	80,87.52
(c) Other non-financial liabilities	**21**	68,97.06	75,88.19
		150,21.26	**157,29.02**
3 Equity			
(a) Equity share capital	**22A**	608,27.69	608,27.69
(b) Instruments entirely equity in nature	**22B**	1348,00.00	963,00.00
(c) Other equity		2843,04.01	2910,04.69
		4799,31.70	**4481,32.38**
Total liabilities and equity		**34336,45.13**	**36815,40.82**
See accompanying notes forming part of audited financial statements (1 to 51)			

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm Registration Number: 109983W

For G. M. Kapadia & Co
Chartered Accountants
Firm Registration Number: 104767W

For and on behalf of the Board of Directors

Tirtharaj Khot
Partner
Membership No. 037457

Atul Shah
Partner
Membership No. 039569

P. S. Jayakumar
Director
(DIN - 01173236)

P.B. Balaji
Director
(DIN - 02762983)

Place: Mumbai
Date: April 28, 2022

Place: Mumbai
Date: April 28, 2022

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

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary

Place: Mumbai
Date: April 28, 2022

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)
Statement of Profit and Loss for the year ended March 31, 2022

(₹ in lakhs)

	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
	Revenue from operations			
	(a) Interest income	**23**	3197,20.10	3471,94.73
	(b) Dividend income		1,94.36	73.83
	(c) Rental income		60,57.25	64,16.07
	(d) Net gain on fair value changes	**24**	115,85.12	116,51.89
	(e) Net gain on derecognition of financial instruments		209,67.84	94,88.57
	(f) Other fees and service charges		177,38.87	95,63.94
I	**Total Revenue from operations**		**3762,63.54**	**3843,89.03**
II	**Other income**	**25**	**90,01.38**	**177,88.87**
III	**Total income (I + II)**		**3852,64.92**	**4021,77.90**
IV	**Expenses**			
	(a) Finance cost	**26**	2064,49.21	2244,82.82
	(b) Impairment of financial instruments and other assets	**27**	1111,33.94	859,46.89
	(c) Employee benefits expenses	**28**	261,10.77	266,68.06
	(d) Depreciation and amortization	**12A & 12B**	57,70.46	58,54.56
	(e) Other expenses	**29**	454,90.83	373,14.54
	Total expenses		**3949,55.21**	**3802,66.87**
V	**Profit/(Loss) before exceptional items and tax (III - IV)**		**(96,90.29)**	**219,11.03**
VI	**Exceptional items**		**-**	**-**
VII	**Profit/(Loss) before tax (V - VI)**		**(96,90.29)**	**219,11.03**
VIII	**Tax expense / (income)**			
	Current tax		-	-
	Deferred tax		(70,16.29)	(30,56.60)
	Total tax expense		**(70,16.29)**	**(30,56.60)**
IX	**Profit/(Loss) for the year from continuing operations (VII - VIII)**		**(26,74.00)**	**249,67.63**
X	**Profit/(Loss) for the year**		**(26,74.00)**	**249,67.63**
XI	**Other comprehensive income**			
	A i. Items that will not be reclassified to profit or loss			
	a. Remeasurements of the defined benefit plans		1,94.24	(3,40.57)
	b. Equity Instruments through Other Comprehensive Income		21,17.08	50,01.59
	ii. Income tax relating to items that will not be reclassified to profit or loss		(5,32.83)	-
	Subtotal (A)		**17,78.49**	**46,61.02**
	B i. Items that will be reclassified to profit or loss			
	a. Net Gains/(losses) on cash flow hedges		36,51.74	(2,65.13)
	b. Debt Instruments through Other Comprehensive Income		88,80.24	206,90.45
	ii. Income tax relating to items that will be reclassified to profit or loss		(22,34.98)	(38,75.54)
	Subtotal (B)		**102,97.00**	**165,49.78**
	Other Comprehensive Income (A + B)		**120,75.49**	**212,10.80**
XII	**Total comprehensive income for the year**		**94,01.49**	**461,78.43**
XIII	**Earnings per share of ₹ 100 each**			
	Basic (in ₹)		(14.84)	26.21
	Diluted (in ₹)		(14.84)	26.21

See accompanying notes forming part of audited financial statements (1 to 51)

As per our report of even date attached
For SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm Registration Number: 109983W

For G. M. Kapadia & Co
Chartered Accountants
Firm Registration Number: 104767W

For and on behalf of the Board of Director

Tirtharaj Khot
Partner
Membership No. 037457

Atul Shah
Partner
Membership No. 039569

P. S. Jayakumar
Director
(DIN - 01173236)

P.B.Balaji
Director
(DIN - 02762983)

Place: Mumbai
Date: April 28, 2022

Place: Mumbai
Date: April 28, 2022

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

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary

Place: Mumbai
Date: April 28, 2022

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**(96,90.29)**	**219,11.03**
Adjustments for:		
Interest income on loans, deposits & investments	(3197,20.10)	(3471,94.73)
Finance costs (other than Interest expense on lease liability)	2059,41.48	2240,61.21
Interest expense on lease liability	5,07.72	4,21.61
Dividend income	(1,94.36)	(73.83)
Gain on sale of investments	(64,71.15)	(68,35.31)
MTM on investments measured at fair value through profit or loss	(55,20.00)	(50,72.03)
Allowance for loan losses (net of write-off)	1089,27.24	852,57.07
Allowance for doubtful loans and advances (others) (net of write-off)	22,06.71	6,89.82
Depreciation and amortization	57,70.46	58,54.56
Loss/(profit) on sale of property, plant and equipments	2,98.10	(17,05.08)
Balances write off/ (written back)	4,50.58	(20,55.08)
Fair value changes on derivative instruments	6,23.29	13,96.10
Non cash changes in lease liabilities	-	(1,05.42)
Operating cash flow before working capital changes	**(168,70.31)**	**(234,50.07)**
Movements in working capital		
Trade payables	(56,63.88)	55,89.16
Other payables	76,67.18	25,79.58
Other financial liabilities	4,26.46	182,97.16
Other non financial liabilities	(6,91.13)	35,61.40
Trade receivables	22,25.07	119,71.99
Other receivables	(24.38)	28,33.19
Other financial assets	(195,75.67)	(469,92.05)
Provisions	1,77.61	71.29
Loans	919,96.72	(2414,21.86)
Other non financial assets	9,96.26	(36,58.69)
Assets held for sale	(426,50.37)	-
	180,13.56	**(2706,18.91)**
Finance costs paid	(2154,28.43)	(2304,00.78)
Interest income received on loans, investments & deposits	3131,61.92	2555,06.20
Income taxes (paid)/refund (net)	(47,26.39)	44,78.70
Net cash generated from/(used in) operating activities	**1110,20.66**	**(2410,34.79)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and intangible assets	(20,17.92)	(32,10.59)
Proceeds from sale of property, plant and equipments	2218.42	3,18.22
Purchase of mutual fund units	(81204,93.98)	(74423,94.55)
Redemption of mutual fund units	81269,65.12	74492,29.86
Investment in equity shares	-	(1,81.28)
Investment in Government Securities	(931,19.26)	-
Distribution from SBI trust securities	2,58.66	-
Investment in Trust securities	-	(4.58)
Proceeds from sale of assets held for sale (net of expenses)	-	10,86.16
Dividend income	1,94.36	73.83
Deposits/restricted deposits with banks	(354,16.51)	(696,59.05)
Realisation of deposits/restricted deposits with banks	907,64.37	996,27.31
Net cash (used in)/generated from financing activities	**(306,46.74)**	**348,85.33**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Debt securities	8657,07.45	20701,38.87
Repayment of Debt securities	(8852,38.99)	(18823,80.98)
Repayment of Subordinated liabilities	(154,45.00)	(361,00.00)
Proceeds from borrowings (other than debt securities)	17064,35.87	12159,27.51
Repayment of borrowings (other than debt securities)	(19494,17.10)	(9890,06.91)
Interest payment on lease liability	(5,07.72)	(4,21.82)
Principal payment of lease liability	(10,20.30)	(9,94.03)
Proceeds from issue of Instruments entirely equity in nature (net of issue expenses)	377,66.39	700,25.01
Distributions made to holders of Instruments entirely equity in nature	(98,38.50)	(28,75.00)
Dividend paid (including Dividend distribution tax)	(55,30.08)	(18,49.99)
Net cash (used in)/generated from financing activities	**(2570,87.97)**	**4424,62.66**
Net decrease in cash and cash equivalents (A + B + C) (refer note below)	**(1767,14.06)**	**2363,13.26**

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash and cash equivalents at the beginning of the year	4266,10.87	1902,97.62
Cash and cash equivalents at the end of the year (Refer Note 5)	2498,96.81	4266,10.87
See accompanying notes forming part of financial statements (1 to 51)		

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
Chartered Accountants
Firm Registration Number: 109983W

Tirtharaj Khot
Partner
Membership No. 037457

Place: Mumbai
Date: April 28, 2022

Chartered Accountants
Firm Registration Number: 104767W

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

P. S. Jayakumar
Director
(DIN - 01173236)

P.B. Balaji
Director
(DIN - 02762983)

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

Ridhi Gangar
Chief Financial Office

Vinay Lavannis
Company Secretary

Place: Mumbai
Date: April 28, 2022

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Statement of changes in equity for the period ended March 31, 2022

A. Equity share capital (₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	60,827,689	608,27.69	60,827,689	608,27.69
Changes in Equity Share Capital due to prior period	-	-	-	-
Restated balance at the beginning of the year	60,827,689	60,827.69	60,827,689	60,827.69
Changes in equity share capital during the current year				
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	60,827,689	60,827.69	60,827,689	608,27.69

B. Instruments entirely equity in nature

(i) Perpetual Debt (₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Rs.	Number	Rs.
Balance as at beginning of the year	9,630	963,00.00	2,500	25,000.00
Issued during the year	3,850	385,00.00	7,130	713,00.00
Balance as at end of the year	**13,480**	**1348,00.00**	**9,630**	**963,00.00**

C. Other equity (₹ in lakhs)

Particulars	Equity component of compound financial instrument (Refer Note 22C)	Reserve and Surplus							Other components of equity (Refer Note 22 D)				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)	Distributable					
Balance as at April 01, 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
a) Profit for the year	-	-	-	-	-	-	-	(26,74.00)	-	-	-	-	(26,74.00)
b) Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	1,94.24	15,84.26	66,45.26	(5,33.04)	41,84.78	120,75.50
c) Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(24,79.76)**	**15,84.26**	**66,45.26**	**(5,33.04)**	**41,84.78**	**94,01.51**
d) Dividend	-	-	-	-	-	-	-	**(55,30.08)**	-	-	-	-	(55,30.08)
e) Distributions made to holders of Instruments entirely equity in nature	-	-	-	-	-	-	-	**(98,38.50)**	-	-	-	-	(98,38.50)
f) Issue expenses on Instruments entirely equity in nature	-	-	-	-	-	-	-	(7,33.61)	-	-	-	-	(7,33.61)
Balance as at March 31, 2022	**471,11.44**	**236,66.74**	**0.02**	**3136,40.38**	**190,82.18**	**17,85.59**	**(1761,69.60)**	**176,81.62**	**65,61.15**	**323,23.10**	**(4,57.03)**	**(9,21.58)**	**2843,04.01**

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Statement of changes in equity for the period ended March 31, 2022

(₹ in lakhs)

Particulars	Equity component of compound financial instrument (Refer Note 22C)	Reserve and Surplus							Other components of equity (Refer Note 22 D)				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)	Distributable					
Balance as at April 01, 2020	471,11.44	186,73.21	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) Distributions made to holders of Instruments entirely equity in nature	-	-	-	-	-	-	-	(2,875.00)	-	-	-	-	(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**

*As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund and transfer therein a sum not less than 20% 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 can be made by the 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.The Company transfers said amount at the end of the financial year.

See accompanying notes forming part of audited financial statements (1 to 51)

As per our report of even date attached
For SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm Registration Number: 109983W

For G. M. Kapadia & Co
Chartered Accountants
Firm Registration Number: 104767W

For and on behalf of the Board of Directors

Tirtharaj Khot
Partner
Membership No. 037457

Atul Shah
Partner
Membership No. 039569

P. S. Jayakumar
Director
(DIN - 01173236)

P.B. Balaji
Director
(DIN - 02762983)

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

Place : Mumbai
Date: April 28, 2022

Place : Mumbai
Date: April 28, 2022

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary

Place: Mumbai
Date: April 28, 2022

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of the financial statements for the year ended March 31, 2022

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 Company is engaged primarily in lending activities providing vehicle financing through its pan India branch network. The Company is also engaged in providing commercial vehicles and passenger vehicle on lease.

The financial statements were approved by the Board of Directors and authorised for issue on April 28, 2022.

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 benefit plans, 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 In 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 estimates 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

<u>Revenue from Operations</u>

(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. Any subsequent changes in the excess interest spread is recognised with the corresponding adjustment to the carrying amount of the assets.

The Company recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised with a corresponding credit in Statement of Profit and Loss. If the fee to be received is not expected to compensate the Company adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised with a corresponding charge to 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 and 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 unutilised 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

(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) Earning 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 & 10 years
Office Equipment	2 to 10 years
Vehicles	4 & 5 years
Vehicles On Operating Lease	4 & 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, 2022.

(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 gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised 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 settlement is remote, are not disclosed as contingent liabilities. Provisions, 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 recognised in the financial statements.

(xiii) Dividend

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. Further, declaration of dividend from the profits of the financial year ending March 31, 2022 are also subject to guidelines of RBI in this regard.

(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) <u>Financial assets</u>

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 recognition, financial assets are classified in the following categories :-
a. at amortised cost, or
b. at fair value through other comprehensive income (FVOCI), 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 classification 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

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 interest 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~~ homogeneous 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 default. 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.

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. Any surplus remaining after settlement of outstanding loan by way of sale of vehicle (collateral) is returned to the customer. In case where the Company has settled outstanding dues against repossession of the underlying collateral, collateral is recorded as assets held for sale in the balance sheet.

The Company enters into a financial guarantee contracts which require the issuer of such contract to reimburse the Company for a loss it incurs because a specified customer fails to make payment when due in accordance with the terms of the loan. For these separate third party financial guarantee contracts, the Company recognises a reimbursement asset of an amount expected to receive from issuer of financial guarantee with a corresponding reimbursement gain as a reduction in the impairment charge in the Statement of profit and loss, if it is considered virtually certain that a reimbursement would be received if the specified customer fails to make payment when due in accordance with the terms of the loans. Reimbursement gain is presented as other financial assets in the balance sheet.
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) <u>Financial liabilities and equity instruments</u>

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.

<u>(I) Financial liabilities</u>

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 interest expenses in the profit or loss.

<u>Financial guarantee contracts:</u>

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.

<u>Modification/Renegotiation that do not result in derecognition</u>

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 recognised under finance cost in the statement of profit or loss with the corresponding adjustment to the carrying amount of the financial liability.

<u>(II) Equity Instrument</u>

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.

<u>(III) Compound financial Instrument</u>

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.

4 Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Business Combination

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Note 5
Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	10,00.29	9,53.04
Balance with Banks	710,05.79	1588,07.15
Cheques, drafts on hand	23,34.61	13,50.68
Bank deposit with original maturity of less than 3 months	1755,56.12	2655,00.00
Total	**2498,96.81**	**4266,10.87**

Note 6
Bank balance other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with banks	70,29.86	452,76.11
Earmarked balances with banks (refer note 1)	31.90	47.96
Margin money / cash collateral with banks (refer note 2)	363,60.80	53446.34
Total	**434,22.56**	**987,70.41**

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 7
Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Receivables considered good - Unsecured	46,25.67	68,50.74
Less: Impairment loss allowance	(18,03.76)	(7,94.70)
Total	**28,21.91**	**60,56.04**

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Not any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Ageing of trade receivable at March 31, 2022 is given below-

Particulars	Not due	Unbilled	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	14,95.77	11,14.79	3,65.05	28.69	-	-	**30,04.30**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	5,02.61	5,78.99	3,71.27	1,68.49	-	**16,21.37**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Total	**-**	**14,95.77**	**16,17.41**	**9,44.04**	**3,99.96**	**1,68.49**	**-**	**46,25.67**

Ageing of trade receivable at March 31, 2021 is given below-

Particulars	Not due	Unbilled	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	18,07.98	41,11.58	1,34.44	-	-	-	**60,54.00**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	4,50.79	1,57.68	1,88.27	-	-	**7,96.74**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Total	**-**	**18,07.98**	**45,62.37**	**2,92.12**	**1,88.27**	**-**	**-**	**68,50.74**

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Note 8
Other receivables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Receivables considered good - Unsecured	7,12.09	6,87.71
Total	**7,12.09**	**6,87.71**

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 9
Loans

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
From financing activities		
- Term loans	16423,85.53	22416,08.83
- Finance Lease receivables	73,94.54	19,65.37
- Credit substitutes (refer note 1)	831,92.92	772,34.22
- Others		
From other than financing activities		
- Inter corporate deposits (repayable on demand)	-	-
Total (A) - Gross	**17329,72.99**	**23208,08.42**
Less: Impairment loss allowance	(1482,86.83)	(1076,68.44)
Total (A) - Net	**15846,86.16**	**22131,39.98**
At fair value through Other comprehensive income (FVOCI)		
From financing activities		
- Term loans	12492,10.82	7988,89.02
Less: Impairment loss allowance	(135,18.32)	(71,55.79)
Total (B) - Net	**12356,92.50**	**7917,33.23**
(C)		
Secured by tangible assets (refer note 2 and 3 below)	27444,10.58	28683,96.21
Covered by government guarantees (refer note 4 below)	1588,52.84	1874,50.06
Unsecured	789,20.38	638,51.17
Total (C) - Gross	**29821,83.80**	**31196,97.44**
Less: Impairment loss allowance	(1618,05.14)	(1148,24.23)
Total (C) - Net	**28203,78.66**	**30048,73.21**
(D)		
Loans in India		
- Public Sector	-	-
- Others	29821,83.80	31196,97.44
Total (D) - Gross	**29821,83.80**	**31196,97.44**
Less: Impairment loss allowance	(1618,05.14)	(1148,24.23)
Total (D) - Net	**28203,78.66**	**30048,73.21**

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.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Note 10
Investments

(₹ in lakhs)

Particulars	As at March 31, 2022					As at March 31, 2021				
	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=2+3)	(5=1+4)	(6)	(7)	(8)	(9=7+8)	(10=6+9)
Category of investments										
i. Government securities	931,19.26				931,19.26					
ii Equity instruments*	-	133,70.39	175,11.24	308,81.63	308,81.63	-	112,53.31	119,22.58	231,75.89	231,75.89
iii. Preference Shares	1,90.00	-	-	-	1,90.00	1,90.00	-	-	-	1,90.00
iv. Trust Securities	-	-	5,39.62	5,39.62	5,39.62	-	-	8,66.95	8,66.95	8,66.95
Total (A) - Gross	**933,09.26**	**133,70.39**	**180,50.86**	**314,21.25**	**1247,30.51**	**1,90.00**	**112,53.31**	**127,89.53**	**240,42.84**	**242,32.84**
i. investments outside India	-	-	-	-	-	-	-	-	-	-
ii. Investments in India	933,09.26	133,70.39	180,50.86	314,21.25	1247,30.51	1,90.00	112,53.31	127,89.53	240,42.84	242,32.84
Total (B)	**933,09.26**	**133,70.39**	**180,50.86**	**314,21.25**	**1247,30.51**	**1,90.00**	**112,53.31**	**127,89.53**	**240,42.84**	**242,32.84**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-	-	-	-
Total (D) = (A - C)	**933,09.26**	**133,70.39**	**180,50.86**	**314,21.25**	**1247,30.51**	**1,90.00**	**112,53.31**	**127,89.53**	**240,42.84**	**242,32.84**

* Includes amount of Rs. 20,50.00 lakhs (March 31, 2021 Rs. 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.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Annexure to Note 10

(₹ in lakhs)

Face Value per unit (in Rs)	Description	Quantity (in nos.) as at March 31, 2022	As at March 31, 2022	Quantity (in nos.) as at March 31, 2021	As at March 31, 2021
	Investments measured at fair value through other comprehensive income				
	Investment in equity shares				
	(a) Quoted				
10	Tata Steel Limited	609,511	79,67.53	609,511	49,48.31
10	Tata Chemicals Limited	10,060	98.02	10,060	75.63
1	Tata Power Limited	9,120	21.76	9,120	9.42
1	Tata Consumer Products Limited (pursuant to Scheme of Arrangement,114 shares were alloted for every 100 shares held in Tata Chemicals Limited)	11,468	89.15	11,468	73.27
10	NTPC Limited	156,000	2,10.60	156,000	1,66.22
1	NMDC Limited	20,000	32.51	20,000	27.07
10	Coal India Limited	11,904	21.79	11,904	15.52
	(b) Unquoted				
10	Taj Air Limited	4,200,000	-	4,200,000	-
1,000	Tata International Limited	19,350	28,79.03	19,350	38,87.87
100	Tata Industries Limited	993,753	20,50.00	993,753	20,50.00
	Subtotal (a)		**133,70.39**		**112,53.31**
	Investments measured at fair value through profit and loss				
	Investment in equity shares				
	(a) Quoted				
10	Automobile Corporation of Goa Limited	48,315	4,51.29	48,315	1,96.59
	(b) Unquoted				
10	Tata Technologies Limited	811,992	170,59.95	811,992	117,25.98
10	Tata Hitachi Construction Machinery Company Private Limited	285,714	-	285,714	-
	Investment in trust securities (partly paid)				
10	SBI Macquarie Infrastructure Trust	15,000,000	5,39.62	15,000,000	8,66.95
	Subtotal (b)		**180,50.86**		**127,89.52**
	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
	Investment in government securities (Quoted)				
	T-bills		586,02.76		-
	G-sec bond		345,16.50		-
	Subtotal (c)		**933,09.26**		**1,90.00**
	Total (a + b + c)		**1247,30.51**		**242,32.84**

Note 11
Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits (Net of provision of Rs. 30.01 lakhs; March 31, 2021 Rs. 43.11 lakhs)	91,75.27	232,85.50
Interest accrued on deposits	10,84.39	20,75.36
Interest accrued on investments	5,59.65	-
Application money receivable towards securities	28,56.69	129,60.04
Others (Net of provision of Rs. 24,86.39 lakhs; March 31, 2021 Rs. 12,77.82 lakhs)	580,43.98	161,37.53
Total	**717,19.98**	**544,58.43**

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Note 12
Income taxes

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

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
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	(98,26.47)	(29,67.57)
(Decrease) increase in deferred tax liabilities	28,10.17	(89.03)
Total deferred tax expense/(benefit)	(70,16.30)	(30,56.60)
Income Tax expense	**(70,16.30)**	**(30,56.60)**

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, 2022	Year ended March 31, 2021
Profit before taxes	(96,90.29)	219,11.03
Income tax expenses calculated at Statutory tax rate	**(24,38.85)**	**55,14.57**
Tax effect of the amount which are not taxable in calculating taxable income :		
- Effect of expenses not deductible for tax computation	3,32.39	4,79.77
- Utilization of unrecognised and unused tax losses to reduce current tax expense	(22,34.84)	(177,14.98)
- Impact of change in statutory tax rates	-	72,91.69
- Deferred tax assets not recognised because realization is not probable	(26,74.99)	(10,44.47)
- Deferred tax asset now created on previously unrecognised and unused tax losses	-	24,16.83
Income tax expense/(credit) recognised for the year at effective tax rate	**(70,16.29)**	**(30,56.60)**

c) Deferred tax assets/liabilities (net)

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

(₹ in lakhs)

Particulars	As at April 01, 2021	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2022
Deferred tax liabilities :				
- Fair Valuation of financial assets measured at FVTOCI and	94,41.64	13,89.27	27,67.81	135,98.73
- Income to be taxed on actual receipt basis	30,93.60	15,77.11	-	46,70.71
- Sourcing commission claimed on incurrence basis	30,44.71	(1,56.21)	-	28,88.50
Total deferred tax liabilities	**155,79.95**	**2,810.17**	**27,67.81**	**211,57.93**
Deferred tax asset :				
- Property, plant & equipment - Accumulated depreciation	63.00	2,77.89		3,40.89
- Unabsorbed and unused tax losses and unabsorbed depreciation			-	-
- Expenses deductible in future years:				
-Provisions for impairment allowances on financial assets	294,81.62	101,29.41	-	396,11.03
-Compensated absences and retirement benefits allowable on payment basis	4,55.08	3.56	-	4,58.64
- Others	5,26.63	(5,84.40)	-	(57.77)
Total deferred tax assets	**305,26.33**	**98,26.47**	**-**	**403,52.80**
Net deferred tax asset/(liabilities) excl MAT Credit	**149,46.38**	**70,16.30**	**(27,67.81)**	**191,94.87**
- Minimum alternate tax (MAT) entitlement	-	-	-	-
Deferred tax assets/(liabilities) (net)	**149,46.38**	**70,16.30**	**(27,67.81)**	**191,94.87**

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	**117,93.43**	**(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	**110,49.37**	**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**

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) Tax losses

As at March 31, 2022, unrecognised deferred tax assets amounts to Rs. 84,50.19 lakhs (As at March 31, 2021- Rs. 105,08.02 lakhs) which can be carried forward indefinitely. These relate primarily to depreciation carry forwards. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Note 12A

Property, plant and equipment

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at April 01, 2021	Additions	Deletions	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation	Deletions	Balance as at March 31, 2022	Balance as at March 31, 2022
Buildings*#	1,44.56	-	-	1,44.56	48.17	5.24	-	53.41	91.18
Right of Use Assets	59,44.19	36,31.11	7,45.57	88,29.73	15,81.63	1,247.73	6,17.16	22,12.20	66,17.53
Furniture and fixtures	9,42.25	33.00	1,66.28	8,08.97	5,48.72	99.59	1,54.02	4,94.29	3,14.69
Vehicles	5,02.32	1,67.68	1,27.43	5,42.57	2,00.86	1,28.61	1,13.36	2,16.11	3,26.46
Vehicles - given on lease	238,31.25	13,84.47	41,73.17	210,42.55	63,38.72	37,43.43	16,80.23	84,01.92	126,40.63
Office equipments	8,43.08	82.44	49.42	8,76.10	4,83.14	1,29.54	47.48	5,65.20	3,10.89
Data processing machines	10,42.08	1,93.79	6.78	12,29.09	6,58.73	1,59.54	6.51	8,11.76	4,17.33
Leasehold improvement	2,09.80	87.79	-	2,97.59	16.40	47.81	-	64.21	2,33.38
Total	**334,59.54**	**55,80.28**	**52,68.65**	**337,71.16**	**98,76.37**	**55,61.49**	**26,18.76**	**128,19.10**	**209,52.10**

Secured Non-convertible debentures (NCDs) have an exclusive pari-passu charges on Company's residential flat.

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$	1,44.55	-	-	1,44.55	42.84	5.33	-	48.17	96.39
Right of Use Assets	63,94.17	19,03.07	23,53.04	59,44.20	14,66.77	1,296.20	11,81.34	15,81.63	4,362.56
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 equipments	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**	**98,76.38**	**235,83.16**

There is no revaluation or any other adjustment conducted in the reporting period and it's corresponding previous year. Hence, there will be no additional disclosure required.

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

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Note 12B
Other intangible assets

(₹ in lakhs)

	Gross Block				Accumulated Amortisation				Net Block
Particulars	**Balance as at April 01, 2021**	**Additions**	**Deletions**	**Balance as at March 31, 2022**	**Balance as at April 01, 2021**	**Amortisation**	**Deletions**	**Balance as at March 31, 2022**	**Balance as at March 31, 2022**
Computer Software	11,96.12	68.75	-	12,64.87	7,34.29	2,08.97	-	9,43.26	3,21.62
Total	**11,96.12**	**68.75**	**-**	**12,64.87**	**7,34.29**	**2,08.97**	**-**	**9,43.26**	**3,21.62**

	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**

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Note 13
Other non-financial assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	10,90.30	9,84.30
Deposits with statutory authorities (Net of provision Rs. 87.92 lakhs; March 31, 2021 Rs. 87.92 lakhs)	62.49	58.74
Deposits paid under protest	11,12.73	11,04.69
Prepaid expenses	33,56.91	21,76.43
Taxes recoverable and dues from government (Net of provision Rs. 3,03.69 lakhs; March 31, 2021 Rs. 3,03.69 lakhs)	51,57.76	57,02.03
Stamp papers	6,38.88	7,94.46
Others (Net of provision Rs. 1,14.82 lakhs; March 31, 2021 Rs. 1,12.64 lakhs)	9,39.73	24,08.92
Total	**123,58.80**	**132,29.57**

Note 14
Derivative financial instruments - March 31, 2022

(₹ in lakhs)

Particulars	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
Currency derivatives				
Forward exchange contracts	-	-	179,63.75	19,79.51
Interest rate derivatives				
Interest rate swaps	179,63.75	3,06.97		-
Other derivatives				
Cross currency interest rate swaps	1606,10.75	84,57.16	-	-
Total Derivative Financial Instruments		**87,64.13**		**19,79.51**
Derivative designated as hedge				
Cash flow hedging:				
Forward exchange contracts	-	-	179,63.75	19,79.51
Cross currency interest rate swaps	1606,10.75	84,57.16	-	-
Interest rate swaps	179,63.75	3,06.97	-	-
Subtotal		**87,64.13**		**19,79.51**
Undesignated Derivatives				
Interest Rate Swaps	-	-	-	-
Subtotal		**-**	**-**	**-**
Total Derivative Financial Instruments		**87,64.13**		**19,79.51**

Refer Note 42 on Financial Risk Management for maturity analysis of Derivative financial liabilities at March 31, 2022.

Derivative financial instruments - 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
Interest rate derivatives				
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**

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Note 15
Payables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables	210,70.10	262,83.40
total outstanding dues of micro enterprises and small enterprises	8,87.68	-
total outstanding dues of creditors other than micro enterprises and small enterprises	20,182.42	-
Total	**210,70.10**	**262,83.40**
Other Payables	124,32.42	47,65.24
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	**335,02.52**	**310,48.64**

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: According to the information available with the management, on the basis of intimation received from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2022 as follows :

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Principal amount due	8,87.68	-
b) Interest due on above	-	-
c) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Amount of interest due and payable for the period of delay	-	-
e) Amount of interest accrued and remaining unpaid as at year end	-	-
f) Amount of further remaining due and payable in the succeeding year	-	-

Ageing of trade payable at March 31, 2022 is given below-

(₹ in lakhs)

Particulars	Not due	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	7,03.20	1,84.48	-	-	-	**8,87.68**
(i) Others	31,27.90	91,69.50	53,50.43	18,86.76	2,12.61	4,35.22	**201,82.42**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**31,27.90**	**98,72.70**	**55,34.91**	**18,86.76**	**2,12.61**	**4,35.22**	**210,70.10**

Ageing of trade payable at March 31, 2021 is given below-

(₹ in lakhs)

Particulars	Not due	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-	**-**
(i) Others	154,91.94	84,44.23	19,99.71	93.93	72.36	1,81.23	**262,83.40**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**154,91.94**	**84,44.23**	**19,99.71**	**93.93**	**72.36**	**1,81.23**	**262,83.40**

Notes forming part of financial statements for the year ended March 31, 2022

Note 16
Debt securities (at amortised cost)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Privately placed non-convertible debentures		
i. Secured (refer note i)	1774,66.97	2453,44.90
ii. Unsecured	1611,92.39	-
b) Commercial Paper (unsecured) (net of unamortised discounting charges and borrowing cost of Rs. 13721.93 lakhs; March 31, 2021 Rs. 133,57.21 lakhs)	4662,78.07	5881,42.79
Total (A)	**8049,37.43**	**8334,87.69**
i. Debt securities in India	8049,37.43	8334,87.69
ii. Debt securities outside India	-	-
Total (B)	**8049,37.43**	**8334,87.69**

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 maintained.

Details of Non Convertible Debentures (Secured)

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	**Amount**	**Interest Rate Range**	**Amount**
Issued on private placement basis				
Repayable on Maturity:				
Maturing within 1 Year	8.50% to 8.75%	1000,00.00	7.00% to 9.85%	689,92.53
Maturing between 1 year to 3 Years	6.75% to 8.65%	780,00.00	6.75% to 8.75%	1780,00.00
Total Face Value		**1780,00.00**		**2469,92.53**
Less: Unamortised borrowing cost		5,33.03		16,47.62
Total Amortised cost		**1774,66.97**		**2453,44.90**

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

Details of Non Cumulative Debentures (Unsecured)

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	**Amount**	**Interest Rate Range**	**Amount**
Issued on private placement basis				
Repayable on Maturity:	-	-	-	-
Maturing beyond 5 Years	-	-	-	-
Maturing between 3 Years to 5 Years	-	-	-	-
Maturing between 1 year to 3 Years	6.30% to 7.31%	1268,73.08	-	-
Maturing within 1 Year	7.00% to 7.00%	400,00.00	-	-
Total Face Value		**1668,73.08**		
Less: Unamortised borrowing cost		56,80.69		
Total Amortised cost		**1611,92.39**		

Note 17
Borrowings (Other than debt securities) (at amortised cost)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Term loans		
i. from banks (secured) (refer note i)	12617,70.72	13424,74.13
ii. from banks (unsecured)	1459,67.60	349,98.95
(b) Inter Corporate Deposits (unsecured)	150,00.00	-
(c) Loans repayable on demand from banks (secured) (refer note ii)	3060,00.00	2992,60.10
(d) Loans repayable on demand from banks (unsecured)	100,00.00	600,00.00
(e) Cash Credit from banks (secured) (refer note ii)	1,35.22	597,45.18
(f) Collateralised Debt Obligation (secured) (refer note iv)	1181,71.75	2972,15.50
(g) Liability component of compound financial instruments	125,44.08	161,97.08
Total (A)	**18695,89.37**	**21098,90.94**
i. Borrowings in India	16807,41.34	19277,38.50
ii. Borrowings outside India	1888,48.03	1821,52.44
Total (B)	**18695,89.37**	**21098,90.94**

Notes
(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.

(ii) The Company has utilized all it's borrowings from Banks & Financial Institutions for the purpose they have been borrowed.

(iii) 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.

(iv) Collateralised debt obligation represent amount received against loans securitised/direct assignment, which does not meet the criteria for derecognition as per Ind AS 109.

(V) The borrowings have not been guaranteed by directors or others.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Details of Term Loans from banks (Secured)

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing beyond 5 Years	-	-	-	-
Maturing within 1 Year	-	-	6.21% to 9.05%	1374,45.50
Maturing between 1 year to 3 Years	6.00% to 7.60%	1680,00.00	7.35% to 8.35%	1675,00.00
Maturing between 3 Years to 5 Years	6.65% to 7.30%	550,00.00	-	-
Total repayable on maturiy (A)		**2230,00.00**		**3049,45.50**
2. Repayable in Installments:				
i. on quarterly basis				
Maturing beyond 5 Years	-	-	-	-
Maturing within 1 Year	7.10% to 7.65%	616,02.43	6.90% to 8.80%	1662,25.65
Maturing between 1 year to 3 Years	6.95% to 8.20%	3954,64.58	6.90% to 8.80%	2958,85.65
Maturing between 3 Years to 5 Years	6.95% to 8.20%	1945,60.85	6.90% to 8.20%	1022,29.23
Subtotal (B)		**6516,27.85**		**5643,40.53**
ii. on half yearly basis				
Maturing beyond 5 Years	-	-	-	-
Maturing within 1 Year	7.60% to 7.60%	40,00.00	7.40% to 8.65%	706,72.62
Maturing between 1 year to 3 Years	7.25% to 7.80%	785,62.50	7.45% to 8.70%	1579,40.48
Maturing between 3 Years to 5 Years	7.25% to 7.80%	905,65.48	7.60% to 7.85%	101,87.50
Subtotal (C)		**1731,27.98**		**2388,00.60**
iii. on yearly basis				
Maturing beyond 5 Years	-	-	-	-
Maturing between 3 Years to 5 Years	-	-	-	-
Maturing within 1 Year	8.20% to 8.20%	66,66.67	7.95% to 8.40%	275,00.00
Maturing between 1 year to 3 Years	7.35% to 8.20%	200,00.00	7.95% to 8.40%	266,66.67
Subtotal (D)		**266,66.67**		**541,66.67**
Total repayable on installments (E = B+C+D)		**8514,22.50**		**8573,07.80**
Total term loans as per contractual terms (F = A+E)		**10744,22.50**		**11622,53.30**
Less: Unamortised borrowing costs		14,99.80		19,31.60
Total Amortised cost		**10729,22.70**		**11603,21.70**

Details of External Commercial Borrowings (USD)

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing beyond 5 Years	-	-	-	-
Maturing between 1 year to 3 Years	7.70% to 9.03%	757,28.75	8.11% to 8.88%	1099,30.00
Maturing between 3 Years to 5 Years	8.11% to 8.88%	1136,26.95	8.96% to 9.03%	731,46.75
Maturing within 1 Year	-	-	-	-
Total repayable on maturity		**1893,55.70**		**1830,76.75**
Less: Unamortised borrowing costs		5,07.67		9,24.31
Net		**1888,48.02**		**1821,52.44**

Details of Collateralised Debt Obligation

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing beyond 5 Years				
Maturing within 1 Year	6.40% to 9.20%	850,21.01	7.70% to 9.20%	1712,78.02
Maturing between 1 year to 3 Years	6.40% to 9.20%	332,33.40	6.47% to 9.10%	1244,95.18
Maturing between 3 Years to 5 Years			7.90% to 9.20%	15,92.20
Total		**1182,54.41**		**2973,65.40**
Less: Unamortised borrowing costs		82.66		1,49.90
Net		**1181,71.75**		**2972,15.50**

Details of Term Loans from banks (Unsecured)

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing beyond 5 Years	-	-	-	-
Maturing between 3 Years to 5 Years	-	-	-	-
Maturing within 1 Year	-	-	7.35% to 7.35%	100,00.00
Maturing between 1 year to 3 Years	-	-	-	-
Total repayable on maturiy (A)	-	**-**		**100,00.00**
2. Repayable in Installments:				
ii. on quarterly basis				
Maturing beyond 5 Years	-	-	-	-
Maturing between 3 Years to 5 Years	7.45% to 7.45%	125,00.00	-	-
Maturing between 1 year to 3 Years	7.45% to 7.50%	293,00.00	-	-
Maturing within 1 Year	7.50% to 7.50%	42,00.00	-	-
Subtotal (C)		**460,00.00**		
i. on half yearly basis				
Maturing beyond 5 Years	-	-	-	-
Maturing between 3 Years to 5 Years	-	-	-	-
Maturing within 1 Year	-	-	8.05% to 8.80%	250,00.00
Maturing between 1 year to 3 Years	-	-		
Total repayable in installments (D)		**-**		**250,00.00**
iv. on yearly basis				
Maturing beyond 5 Years	-	-	-	-
Maturing between 3 Years to 5 Years	-	-	-	-
Maturing between 1 year to 3 Years	6.25% to 6.25%	1000,00.00	-	-
Maturing within 1 Year	-	-	-	-
Subtotal (E)		**1000,00.00**		
Total repayable on installments (F = C+D+E)				
Total term loans as per contractual terms (C = A+B)		**1460,00.00**		**350,00.00**
Less: Unamortised borrowing costs		32.40		1.05
Total Amortised cost		**1459,67.60**		**349,98.95**

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Details of Inter corporate deposits (ICDs)

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing beyond 5 Years	-	-	-	-
Maturing between 3 Years to 5 Years	-	-	-	-
Maturing between 1 year to 3 Years	-	-	-	-
Maturing within 1 Year	5.20% to 5.20%	150,00.00	-	-
Total		**150,00.00**		**-**
Less: Unamortised finance cost		-		-
Net		**150,00.00**		

Details of Loans repayable on demand from banks (Secured)

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing beyond 5 Years	-	-	-	-
Maturing between 3 Years to 5 Years	-	-	-	-
Maturing between 1 year to 3 Years	-	-	-	-
Maturing within 1 Year	4.50% to 7.40%	3060,00.00	6.20% to 8.25%	2992,60.10
Total		**3060,00.00**		**2992,60.10**
Less: Unamortised borrowing costs		-		-
Net		**3060,00.00**		**2992,60.10**

Details of Loans repayable on demand from banks (unsecured)

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing beyond 5 Years	-	-	-	-
Maturing between 3 Years to 5 Years	-	-	-	-
Maturing between 1 year to 3 Years	-	-	-	-
Maturing within 1 Year	6.60% to 6.60%	100,00.00	5.00% to 7.30%	60,000.00
Total		**100,00.00**		**600,00.00**

Details of Cash credit facilities (Secured)

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year	7.95% to 7.95%	1,35.22	8.50% to 9.35%	597,45.18
Total		**1,35.22**		**597,45.18**
Less: Unamortised borrowing costs		-		-
Net		**1,35.22**		**597,45.18**

Note 18
Subordinated Liabilities (at amortised cost)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Perpetual Debt Instruments to the extent that do not qualify as equity (unsecured)	224,35.51	224,21.08
(b) Privately placed subordinated unsecured redeemable, non-convertible debentures	1276,20.31	1430,72.11
Total (A)	**1500,55.82**	**1654,93.19**
i. Debt securities in India	1500,55.82	1654,93.19
ii. Debt securities outside India	-	-
Total (B)	**1500,55.82**	**1654,93.19**

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

From Balance sheet Date	As at March 31, 2022		As at March 31, 2021	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Issued on private placement basis				
Repayable on Maturity:				
Maturing within 1 Year	8.35% to 10.25%	800,00.00	11.00% to 11.00%	154,45.00
Maturing between 1 year to 3 Years	-	-	9.85% to 11.50%	245,50.00
Maturing between 3 Years to 5 Years	9.70% to 10.60%	390,10.00	9.70% to 11.10%	235,00.00
Maturing beyond 5 Years	10.46% to 11.00%	90,40.00	8.35% to 10.25%	800,00.00
Total Face Value		**1280,50.00**		**1434,95.00**
Less: Unamortised borrowing cost		4,29.70		4,22.89
Total Amortised cost		**1276,20.30**		**1430,72.11**

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

Particulars	(Rs. in Lakhs)	Face Value (Rs.)
11.50% TMFL Perpetual "A" FY 2012-13	26,90.00	5 lakhs
11.25% TMFL Perpetual "B" FY 2012-13	73,10.00	5 lakhs
11.03% TMFL Perpetual "A" FY 2013-14	52,70.00	5 lakhs
11.33% TMFL Perpetual "B" FY 2013-14	22,30.00	10 lakhs
11.10% TMFL Perpetual "A" FY 2014-15	50,30.00	10 lakhs
	225,30.00	
Less : Unamortised Borrowing Cost	94.49	
	224,35.51	

*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, 2022	As at March 31, 2021
Interest accrued on borrowings	275,53.99	254,85.09
Payable for assigned receivables	301,27.52	244,60.12
Deposits	13,02.12	11,72.42
Lease liability for right of use assets	72,09.09	47,31.60
Others	124,34.80	178,05.44
Total	**786,27.52**	**736,54.67**

Note 20
Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	13,98.03	13,82.12
Provision for Indirect taxes	66,11.94	66,11.94
Provision for consumer disputes	60.92	93.46
Total	**80,70.89**	**80,87.52**

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, 2022	As at March 31, 2021
Opening Balance	66,11.94	66,11.94
Add : Provision during the year	-	-
Less : Utilisation/reversal during the year	-	-
Closing Balance	66,11.94	66,11.94

(b) Provision for consumer disputes (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	93.46	1,41.11
Add : Provision during the year	2,56.50	35.82
Less : Utilisation/reversal during the year	2,89.04	83.47
Closing Balance	**60.92**	**93.46**

Note 21
Other non-financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues	40,77.26	38,14.50
Others	28,19.80	37,73.70
Total	**68,97.06**	**75,88.19**

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Note 22A
Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 100 each with voting rights	120,000,000	1200,00.00	120,000,000	1200,00.00
	120,000,000	**1200,00.00**	**120,000,000**	**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	**60,827,689**	**608,27.69**	**60,827,689**	**608,27.69**

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

Equity Shares	As at March 31, 2022		As at March 31, 2021	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	60,827,689	608,27.69	60,827,689	608,27.69
Shares Issued during the year	-	-	-	-
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, 2022		As at March 31, 2021	
	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	59,005,673	97
Subsidiaries of holding company				
Tata Motors Finance Solutions Limited	1,822,016	3	1,822,016	3

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	59,005,673	97

c) Details of shares held by Promoters

Promoter name	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%of total shares	No. of Shares	%of total shares
TMF Holdings Limited	59,005,673	97	59,005,673	97
Tata Motors Finance Solutions Limited	1,822,016	3	1,822,016	3

There is no change in promoter's share holding during financial year 2022 and 2021.

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

(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.

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

The Company has not declared dividends at the end of the reporting period.
No dividend has been declared during the year (March 31, 2021 – Nil).
The Company has paid final dividend of Rs.₹6.05 per share for FY 2020-21 as on 03 September 2021 which was approved by shareholder on 31 August 2021.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Note 22B
Instruments entirely equity in nature

(i) Perpetual Debt

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	₹	Number	₹
Balance as at beginning of the year	9,630.00	963,00.00	2,500.00	25,000.00
Increase during the year	3,850.00	385,00.00	7,130.00	713,00.00
Balance as at end of the year	**13,480.00**	**1348,00.00**	**9,630.00**	**963,00.00**

The Company has issued 3,850 subordinated, listed, unsecured, rated perpetual securities of face value of Rs. 10 lakhs each in 8 series ("A to H") during the year ended March 31, 2022. These securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The coupon rate is 9.10% p.a. with a step up provision of 100 bps over the coupon rate, if the securities are not called by the Company 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. (7,130 perpetual securities of face value of Rs. 10 lakhs each issued in the year 2020-21).

The Coupon on the these securities shall not be cumulative except where the Company 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 Comapny'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, 2022		As at March 31, 2021	
	Number	₹	Number	₹
Authorised				
Preference shares of ₹ 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

Particulars	As at March 31, 2022		As at March 31, 2021	
	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:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
TMF Holdings Limited	72,300,000	100	56,000,000	77.46

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	72,300,000	100	56,000,000	77.46
Kotak Mahindra Prime Limited			5,000,000	6.92

c) Details of shares held by Promoters

Promoter name	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%of total shares	No. of Shares	%of total shares
TMF Holdings Limited	72,300,000	100	56,000,000	77

During financial year ended March 31, 2022, holding company exercised call option to purchase 16,300,000 CCPS from its holders and accordingly holding company's shareholding increased from 77.46% to 100%.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

d) Terms / rights attached to preference shares:

The Company has cumulative, non-participating compulsorily convertible preference shares (CCPS) having a face value of Rs. 100 each. The holders of the CCPS are entitled for dividend on a yearly basis, in preference to the equity shareholders , subject to applicable law, availability of profits , after provision for depreciation. The CCPS shall fully and mandatorily be converted into equity shares on the date falling at the expiry of 7 years from the CCPS allotment date.

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

e) Information regarding issue of shares in the last five 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.

Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.

f) Distributions

The Board of Directors at its meting held earlier on 30 April 2021 has recommended a final dividend of Rs 8.2 per Cumulative, non-participating Compulsorily Convertible Preference shares (CCPS) of Rs 100 each (8.2 %), Rs. 10 per Cumulative, non-participating Compulsorily Convertible Preference shares (CCPS) of Rs. 100 each (10%) and Rs. 10 per Non Cumulative, non-participating Compulsorily Convertible Preference shares (CCPS) of Rs. 100 each (10%), which was approved by members of the company at the annual general meeting held on 31 August 2021 and the dividend were paid on 3 September 2021.

Note 22D

(I) Other components of equity

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

Rs lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**49,76.90**	**(24.70)**
Other comprehensive income for the year	21,17.08	50,01.59
Income tax relating to gain/loss arising on other comprehensive income where applicable	(5,32.83)	-
Profit on sale of equity investment reclassified to retained earnings	-	-
Balance at the end of the year	**65,61.15**	**4,976.90**

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**(51,06.36)**	**(49,33.86)**
Gain/(loss) recognised on cash flow hedges	(1,39.90)	(16,64.18)
Income tax relating to gain/loss recognised on cash flow hedges		-
Gain/(loss) reclassified to profit or loss	43,24.68	14,91.68
Income tax relating to gain/loss recognised to profit or loss	-	-
Balance at the end of the year	**(9,21.58)**	**(51,06.36)**

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**76.01**	**1,68.63**
Gain/(loss) recognised on cash flow hedges - Gain/(Loss)	(19,92.36)	(17,62.19)
Income tax relating to Gain/(loss) recognised on cash flow hedges - Gain/(Loss)		-
Gain/(loss) reclassified to profit or loss	14,59.32	16,69.57
Income tax relating to gain/loss recognised to profit or loss	-	-
Balance at the end of the year	**(4,57.03)**	**76.01**

(4) The movement of Debt instruments through other comprehensive income is given in note no. 36 'Fair Value measurement'

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

(5) Summary of Other components of equity :-

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Equity instruments through other comprehensive income	65,61.15	49,76.90
Hedging Reserve	(9,21.58)	(51,06.36)
Cost of hedging reserve	(4,57.03)	76.01
Debt instruments through other comprehensive income	323,23.10	256,77.84
Total	**375,05.64**	**256,24.38**

(I) Notes to reserves

(1) Special reserve
As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund and transfer therein a sum not less than 20% 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 can be made by the 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.The Company transfers said amount at the end of the financial year.

(2) 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.

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

(4) 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.

(5) 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.

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

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

(8) Debt instruments through OCI
It represents the revaluation of debt instruments measured through OCI.

(9) Hedging Reserve through OCI
It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.

(10) 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.

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Notes forming part of financial statements for the year ended March 31, 2022

Note 23
Interest income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial assets measured at amortised Cost		
Interest on loans	2306,73.59	2958,70.37
Interest income from investments	6,80.00	-
Interest on deposits with banks	68,93.35	92,44.90
Other interest income	2.86	7,55.59
On financial assets measured at FVOCI		
Interest on loans	814,70.30	413,23.87
Total	**3197,20.10**	**3471,94.73**

Note 24
Net gain on fair value changes

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on financial instruments at fair value through profit or loss	115,85.12	116,51.89
Total	**115,85.12**	**116,51.89**
Fair Value changes:		
- Realised	60,65.12	65,79.86
- Unrealised	55,20.00	50,72.03
Total	**115,85.12**	**116,51.89**

Note 25
Other Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Support services income	84,62.84	131,73.10
Balances written back	4,50.58	20,55.08
Net gain on derecognition of property, plant and equipment	-	17,05.08
Miscellaneous income	87.96	8,55.61
Total	**90,01.38**	**177,88.87**

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Borrowings	1387,74.19	1562,44.34
Interest on Debt Securities	507,80.64	492,79.20
Interest on Subordinated Liabilities	163,09.77	181,40.82
Interest expense on lease liability	5,07.72	4,21.61
Other Finance Charges	76.89	3,96.85
Total	**2064,49.21**	**2244,82.82**

Notes forming part of financial statements for the year ended March 31, 2022

Note 27
Impairment on financial instruments and other assets

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loans measured amortised cost		
-Allowance for loan losses	316,77.95	508,61.32
-Loans written off (net of recoveries of Rs. 61,82.32 lakhs for the year ended March 31, 2022; Rs. 72,05.67 lakhs for year ended March 31, 2021)	708,86.76	289,28.94
Loans measured fair value through other comprehensive income		
-Allowance for loan losses	63,62.52	54,66.81
Other assets		
-Allowance for doubtful assets	22,06.71	6,80.48
-Balances written off	-	9.34
Total	**1111,33.94**	**859,46.89**

Note 28
Employee benefits expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries	229,82.35	241,64.50
Contribution to provident and other funds	15,86.75	15,38.32
Staff welfare expenses	15,41.67	9,65.24
Total	**261,10.77**	**266,68.06**

Note 29
Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent, taxes and energy costs	13,78.99	14,12.51
Repairs and maintenance	3,73.03	2,81.86
Corporate social responsibility expense	2,61.90	1,56.41
Communication Costs	5,07.60	5,61.87
Printing and stationery	1,66.37	1,68.82
Advertisement and publicity	1,82.43	2,38.99
Director's fees, allowances and expenses	1,74.50	1,20.50
Auditor's fees and expenses	2,11.78	99.97
Legal and professional charges	46,97.87	56,02.84
Credit risk & other insurance	37,90.45	29,14.44
Commission	62,21.06	35,49.67
Service provider fees	180,45.84	137,09.43
Net loss on derecognition of property, plant and equipment	2,98.10	-
Cenvat credit reversals	42,65.97	34,93.35
Others	49,14.94	50,03.88
Total	**454,90.83**	**373,14.54**

(i) Auditors' remuneration (excluding taxes):

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditors - statutory audit	1,87.02	65.99
Tax audit	6.92	6.92
For other services	12.05	23.80
Reimbursement of out of pocket expenses	5.79	3.26
Total	**2,11.78**	**99.97**

(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 2021-22 as per the Companies Act, 2013 is Rs. 3,19.79 lakhs (Rs. 1,06.16 in 2020-21) in view of average net profits of the Company being Rs. 15,989.64 lakhs (2020-21 Rs. 53,08.08 lakhs) under section 198 of the Act for three immediately preceding financial years. The Board approved spent for the year 2021-22 was Rs. 2,89.63 lakhs (Rs.1,69 lakhs in 2020-21) and amount actually spent was Rs. 1,42.17 lakhs (Rs.1,64.05 lakhs in 2020-21). There were no CSR transactions with or contributions to any related parties listed in Note 33.

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Amount required to be spent by the company during the year	3,19.79	1,06.16
Amount of expenditure incurred (Refer note 1)	2,00.06	1,64.05
Excess/(Shortfall) at the end of the year (Refer Note 2)	(1,19.73)	57.89
Total of previous years excess/(shortfall)	-	-
Reason for shortfall		
For FY2022, the Company could not spent entire amount due to pandemic, project complexities and delay in launch of the project.		
Nature of CSR activities		
During FY2022, the Company conducted financial literacy & road safety to driver community (Project Akanksha), Mobile health camps for the driver community (Project Suraksha) and program consisting of holistic development & livelihood/youth skilling program for adolescent girls (Project Uddan).		
During FY2021, the Company conducted program consisting of holistic development & livelihood/youth skilling program for adolescent girls (Project Uddan).		
Details of related party transactions		
i. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
ii. Any other, please specify	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation		
i. Provision at the beginning of the year	-	-
ii. Additional provision made during the year	-	-
iii. Provision reversed during the year	-	-
iv. Provision resulted in expenditure during the year	-	-
v. Provision at the end of the year	-	-

Note :

1. For the Year ended March 31, 2022 includes an amount of Rs. 57.89 lakhs which was excess in previous year.
2. At March 31, 2022, unspend amount has been deposited into an escrow account with scheduled bank.

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 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 a mandatorily convertible instrument.

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic		
Weighted average no. of equity shares outstanding	84,298,195	84,298,195
Net profit attributable to equity share holders	(125,12.50)	220,92.63
Basic earnings per share (Rs.)	(14.84)	26.21
Diluted		
Weighted average no. of equity shares outstanding	84,298,195	84,298,195
Net profit attributable to equity share holders	(125,12.50)	220,92.63
Diluted earnings per share (Rs.)	(14.84)	26.21
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, 2022	As at March 31, 2021
In respect of consumer disputes	32,83.87	35,30.65
In respect of bonus under the Payment of Bonus (Amendment) Act, 2015	26.15	26.15
Total	**33,10.02**	**35,56.80**

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

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
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 ₹. 4,35.08 lakhs (as at March 31, 2021: ₹.2,76.63 lakhs)

Other commitments

Loan commitment towards vehicle financing ₹. 17.16 lakhs (as at March 31, 2021: ₹. 74.38 lakhs)

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

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 period
(i) Fellow subsidiaries, associates and Joint arrangements 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
Tata Motors Passenger Vehicle 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
Tata Communications 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. Naseer Munjee - Chairman & Independent Director (Non-Executive Director upto March 02, 2020)
Ms. Vedika Bhandarkar - Independent Director
Mrs. Varsha Purandare - Independent Director and Additional Director (w.e.f June 16, 2021)
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)
Mr. Anand Bang - Chief Financial Officer (upto July 31, 2020)
Ms. Ridhi Gangar-Chief Financial Officer (w.e.f August 01, 2020)

(II) Transactions/Balances with Related parties

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

(₹ in lakhs)

Particulars	Ultimate Holding Company	Holding Company	Other Related Parties	Total
a) Transactions during the year				
Income related to financing activities	74,34.71	-	-	**74,34.71**
Interest income on loans and investments	27.18	1.85	1.01	**30.05**
Dividend income	-	-	24.19	**24.19**
Rent Income	7.46	-	66.94	**74.40**
Service charges income	75.00	1,02.36	54,15.44	**55,92.80**
Amount received towards reimbursement of expenses	-	-	27.47	**27.47**
Interest income on loans advanced to dealers of TML	-	-	-	**-**
Expenses for other services (incl. reimbursement of expenses)	1,14.15	8,71.42	23,44.88	**33,30.45**
Interest Expenses	-	85,85.63	25.47	**86,11.09**
Rent Expenses (refer note (i))	31.07	5,55.84	-	**5,86.90**
Dividend paid	-	84,94.84	1,10.23	**86,05.08**
Other Expenses	-	59.00	1,84.47	**2,43.47**
Recoveries from employee benefit trust	-	-	2,34.47	**2,34.47**
Contributions paid to employee benefit trust	-	-	4,81.45	**4,81.45**
Loans and advances taken	-	2275,00.00	-	**2275,00.00**
Deposit received	3,36.00	-	-	**3,36.00**
Deposit repaid	3,36.00	-	-	**3,36.00**
Loans and advances given	-	5,00.00	12,50.00	**17,50.00**
Loans and advances recovered	-	5,00.00	12,50.00	**17,50.00**
Loans and advances repaid	-	2275,00.00	-	**2275,00.00**

(₹ in lakhs)

b) Balances as at	Ultimate Holding Company	Holding Company	Other Related Parties	Total
Other Receivables	9,61.33	-	51.17	**10,12.50**
Payables - Borrowings & debt securities	-	600,00.00	-	**600,00.00**
Other Payables	-	30,63.82	74,79.63	**105,43.45**

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

(₹ in lakhs)

Transactions	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**
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**
Service charges income	88.50	90.70	90,61.55	**92,40.75**
Expenses for other services (incl. reimbursement of expenses)	1,81.53	2,81.30	26,30.08	**30,92.91**
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**
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**
Contributions paid to employee benefit trust	-	-	94.30	**94.30**
Recoveries from employee benefit trust	-	-	3,46.25	**3,46.25**
Loans and advances taken / availed	-	-	40,00.00	**40,00.00**
Loans and advances repaid	-	-	40,00.00	**40,00.00**

(₹ in lakhs)

b) Balances as at	Ultimate Holding Company	Holding Company	Other Related Parties	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**

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 Rs. 21.54 lakhs (Rs. 26.04 lakhs for year ended March 31, 2021) which has been adjusted against the outstanding lease liability in accordance with Ind AS 116.

(III) Transactions and balances with Key Management personnel and their relatives

(₹ in lakhs)

a) Transactions during the year	For period ended March 31, 2022	For period ended March 31, 2021
Interest paid on unsecured perpetual debentures	13.65	4.54
Repayment of Perpetual debentures	-	10.00
b) Balances as at	**As at March 31, 2022**	**As at March 31, 2021**
Net payable - Unsecured perpetual debentures	1,30.00	30.00

(c) Key management personnel remuneration

(₹ in lakhs)

Particulars	For period ended March 31, 2022	For period ended March 31, 2021
Short term employee benefits (refer notes below)	7,93.57	4,73.70
Total	**7,93.57**	**4,73.70**

(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 Rs. 1,74.50 lakhs and Rs. 60.50 lakhs for the year ended ended March 31, 2022 and March 31, 2021 respectively.

(IV) In view of the inadequate profit for the year, the remuneration paid to the Managing Director for the year ended March 31, 2022 was higher by Rs. ₹ 223.69 lakhs as compared to limits prescribed under section 197 read with Schedule V to the Companies Act, 2013. The Company is in the process of obtaining shareholder’s approval by passing a special resolution in the ensuing general meeting.

34 **Note 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 Rs. 92.70 lakhs (previous year Rs. 93.34 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 board of trustee has passed a resolution to surrender exempted establishment with effect from April 1, 2022 with cut-off date March 31, 2022.

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)

Change in benefit obligations:	**As at March 31, 2021**
Defined benefit obligations at the beginning	142,87.19
Service cost	5,75.61
Employee contribution	11,19.93
Acquisitions (credit) / cost	(1,93.46)
Interest expense	12,27.61
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	1,38.74
Benefits paid	(7,05.43)
Defined benefit obligations at the end	**164,50.19**

Change in plan assets:	**As at March 31, 2021**
Fair value of plan assets at the beginning	145,20.08
Acquisition Adjustment	(1,93.46)
Interest income	12,16.65
Return on plan assets excluding amounts included in interest income	(3,38.05)
Contributions (employer and employee)	16,88.57
Benefits paid	(7,05.43)
Fair value of plan assets at the end	**161,88.36**

Amount recognised in the balance sheet consists of	**As at March 31, 2021**
Present value of defined benefit obligation	164,50.19
Fair value of plan assets	161,88.36
Effect of asset ceiling	-
Net liability	**(2,61.83)**

Amount recognised in the Statement of Profit and Loss:	**Year ended March 31, 2021**
Current service cost - Employer	5,75.61
Net interest on net defined benefit liability / (asset)	10.96
Cost recognised in P&L	**5,86.57**

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

The assumptions used in determining the present value obligation of the Provident Fund is set out below:

Particulars	**As at March 31, 2022**
Discount rate	6.90%
Expected rate of return on plan assets	8.50%
Remaining term to maturity of portfolio	13 years

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

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

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 lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service.

The 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	
	2022	2021
Defined benefit obligation, beginning of the year	42,04.04	37,98.36
Current service cost	4,16.94	3,66.19
Interest cost	2,81.99	2,50.84
Remeasurement (gains) / losses		
Actuarial (gain) /losses arising from change in financial assumptions	(30.65)	-
Actuarial (gain) /losses arising from change in demographic assumptions	59.24	-
Actuarial (gain) /losses arising from change in experience adjustments	61.26	1,14.67
Transfer between Subsidiaries		
Benefits paid from plan assets	(2,34.47)	(3,26.02)
Defined benefit obligation, end of the year	**47,58.35**	**42,04.04**

(₹ in lakhs)

b) Changes in plan assets	As at March 31	
	2022	2021
Fair value of plan assets, beginning of the year	37,22.59	37,04.06
Interest Income on Plan Assets	2,65.38	2,47.62
Remeasurement gains / (losses)		
Return on plan assets, (excluding amount included in net Interest expense)	40.19	1.54
Transfer in/(out) of assets	-	-
Employer's contribution	4,81.45	95.39
Benefits paid	(2,34.47)	(3,26.02)
Fair value of plan assets, end of the year	**42,75.14**	**37,22.59**

(₹ in lakhs)

c) Amount recognised in balance sheet consists of:	As at March 31	
	2022	2021
Present value of defined benefit obligation	(47,58.35)	(42,04.04)
Fair value of plan assets	42,75.14	37,22.59
Net Assets/ (Liability)	**(4,83.21)**	**(4,81.45)**

(₹ in lakhs)

d) Amount recognised in the Statement of Profit and Loss:	As at March 31	
	2022	2021
Current Service Cost	4,16.94	3,66.19
Interest on Defined Benefit Obligations (Net)	16.61	3.22
Net Charge to the Statement of Profit and Loss	**4,33.55**	**3,69.41**

(₹ in lakhs)

e) Amount recognised in Other Comprehensive Income(OCI) for the year:	As at March 31	
	2022	2021
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/(income)	(40.19)	(1.54)
Actuarial (gain) /losses arising from change in demographic assumptions	59.24	-
Actuarial (gain) /losses arising from change in financial assumptions	(30.65)	-
Actuarial (gain) /losses arising from change in experience adjustments	61.26	1,14.67
Net impact on the other comprehensive income before tax	**49.66**	**1,13.13**

(₹ in lakhs)

f) The fair value of Company's Gratuity plan asset by category	As at March 31, 2022	As at March 31, 2021
Asset Category		
- Government securities (quoted)	-	-
- Debt instruments (quoted)	-	-
- Debt instruments (unquoted)	-	-
- Equity shares (quoted)	-	-
- Insurer Managed Funds (unquoted)	100%	100%

g) The assumptions used in accounting for the gratuity plans are set out below:	As at March 31, 2022	As at March 31, 2021
Discount rate	7.10%	6.90%
Expected return on plan assets	6.90%	6.90%
Salary Escalation rate	8% for first year, 7% thereafter	7.00%
Mortality Tables	Indian Assured Lives mortality (2006-08) Ult	

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

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

(₹ in lakhs)

h) The maturity profile of defined benefit obligation are set out below:	As at March 31, 2022	As at March 31, 2021
Within next 12 months (next annual reporting period)	4,16.83	3,33.38
Between 1 and 5 years	21,31.41	19,90.89
Between 5 and 9 years	32,54.78	30,96.59

(₹ in lakhs)

i) Quantitative sensitivity analysis for significant assumptions:	As at March 31, 2022	As at March 31, 2021
100 bps increase in discount rate	(3,37.34)	(2,88.65)
100 bps decrease in discount rate	3,83.64	3,26.85
100 bps increase in salary escalation rate	3,79.84	3,23.74
100 bps decrease in salary escalation rate	(3,40.08)	(2,91.29)

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, 2022	As at March 31, 2021
The weighted average duration of the defined benefit obligation	7.87 years	7.58 years

(₹ in lakhs)

k) The best estimate of the expected Contribution for the next year:	As at March 31, 2021
The Company expected contribution to the funded gratuity plans in FY 2022-23	4,16.83

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.

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Notes forming part of financial statements for the year ended March 31, 2022

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	Up 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, 2022	1761,48.00	-	-		4,08.00	60,30.00	-	-	363,60.78	-	-	2189,46.78
		March 31, 2021	2555,00.00	50,00.00	2,76.11	-	-	50,00.00	-	474,56.33	423,93.72	85,96.29	-	3642,22.45
2	Advances	March 31, 2022	526,80.42	194,33.43	267,39.03	-	1226,30.61	657,37.07	2274,71.32	3218,12.19	12113,65.99	6015,01.06	1710,07.52	28203,78.65
		March 31, 2021	59,84.92	-	631,44.13	-	1039,76.12	939,79.82	2115,86.41	4934,30.01	13891,30.71	4934,70.54	1501,70.53	30048,73.21
3	Investments	March 31, 2022	931,19.26	-	-	-	-	-	-	-	-	-	316,11.27	1247,30.53
		March 31, 2021	-	-	-	-	-	-	-	-	-	-	242,32.83	242,32.83
4	Borrowings from banks / financial institutions	March 31, 2022	25,00.00	-	603,12.14	-	58,57.36	504,81.37	1379,73.53	5361,45.12	8525,81.45	780,22.77	-	17238,73.74
		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	-	18464,78.37
5	Market borrowings	March 31, 2022	-	465,99.70	520,07.46	-	720,27.64	596,86.77	551,07.65	4218,04.10	3120,83.62	15,40.51	798,51.43	11007,08.87
		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

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, Inter Corporate Deposits 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:

S.No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	CRAR (%)	18.66%	19.36%
2	CRAR - Tier I capital (%)	11.11%	13.17%
3	CRAR - Tier II capital (%)	7.55%	6.19%
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issue of Perpetual Debt Instruments	385,00.00	713,00.00

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Note 35C

Perpetual debt Instruments

(₹ in lakhs)

Sr. No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Funds raised through perpetual debt instruments	385,00.00	713,00.00
2	Amount outstanding at the end of year	1348,00.00	963,00.00
3	Percentage of amount of perpetual debt instrument of the amount of Tier I Capital	17.32%	15.77%
4	Financial year in which interest on perpetual debt instruments is not paid on account of 'Lock-in Clause'	NIL	NIL

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

Sr. No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	No. of special purpose vehicles (SPVs) sponsored by the Company for securitisation transactions	12	16
2	Total amount of securitised assets as per books of the SVPs sponsored by the Company (as certified by the SPV's auditors)	1011,95.70	2426,51.75
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	432,05.39	545,99.23
	Others	46,57.80	78,26.41
4	Amount of exposures to securitisation transactions other than MRR		
	a. Off-balance sheet exposures		
	i) Exposures to own securitizations		
	First loss	-	-
	Bank Guarantee	31,76.00	93,59.31
	Excess Interest Spread	21,72.36	59,84.82
	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)	13,21.00	121,94.64
	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, 2022	March 31, 2021
1	No. of contracts assigned during the year	499,63	370,37
2	Aggregate value (net of provisions) of accounts sold*	3898,61.82	2790,24.09
3	Aggregate consideration	3898,61.82	2790,24.09
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

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Note 35E
Disclosure of restructured advances

Sr. No.	Type of Restructuring =>		Others				
	Asset Classification =>		Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on April 1, 2021 [opening figures]	No. of Borrowers	2	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
2	Fresh restructuring during the year 2021 - 2022	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	13	(2.00)	(11.00)	-	-
		Amount Outstanding	12,90.34	(13,92.66)	(3,17.92)	-	(4,20.24)
		Provision Amount	67.27	(2,73.44)	(76.69)	-	(2,82.85)
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	-	(24.00)	24.00	-	-
		Amount Outstanding	-	(3,56.21)	3,18.78	-	(37.43)
		Provision Amount	-	(83.46)	78.95	-	(4.50)
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	(1.00)	(10.00)	-	(11.00)
		Amount Outstanding	-	(6.94)	(9,21.78)	-	(9,28.72)
		Provision Amount	-	(2.38)	(2,13.52)	-	(2,15.89)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	(2)	(2.00)	(16.00)	-	(20.00)
		Amount Outstanding	(53.88)	(15.09)	(5,76.02)	-	(6,44.99)
		Provision Amount	(4.48)	(5.38)	(1,36.23)	-	(1,46.09)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2022 [closing figures]	No. of Borrowers	13.00	-	96.00	-	1,09.00
		Amount Outstanding	12,90.34	0.00	19,01.01	-	31,91.35
		Provision Amount	67.27	(0.00)	4,46.28	-	5,13.55

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 2020-21

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.

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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, 2022	For the year ended March 31, 2021
1	Provision for doubtful loans and advances (others)	22,06.71	6,80.48
2	Provision for doubtful Loans	380,40.48	563,28.13
3	Provision made towards income tax	(70,16.29)	(30,56.60)
4	Provision on consumer disputes	(32.54)	(47.65)

Note 35G

Investments

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	**Value of investments**		
(i)	Gross value of investments		
(a)	In India	1247,30.51	242,32.84
(b)	Outside India	-	-
(ii)	Provision for depreciation		
(a)	In India	-	-
(b)	Outside India	-	-
(iii)	Net value of investments		
(a)	In India	1247,30.51	242,32.84
(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, 2022	As at March 31, 2021
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;	424,33.14	347,27.40
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)	5,39.62	8,66.95
		429,72.75	**355,94.35**

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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	March 31, 2022	CRISIL AA-/ STABLE	CRISIL A1+	CRISIL AA-/ STABLE	CRISIL AA-/ STABLE	CRISIL A1+	CRISIL A / STABLE
		March 31, 2021	CRISIL AA-/ STABLE	CRISIL A1+	CRISIL AA-/ STABLE	CRISIL AA-/ STABLE	CRISIL A1+	CRISIL A / STABLE
2	ICRA	March 31, 2022	ICRA AA- / STABLE	ICRA A1+	ICRA AA- / STABLE	ICRA AA- / STABLE	ICRA A1+	ICRA A / STABLE
		March 31, 2021	ICRA AA- / STABLE	ICRA A1+	ICRA AA- / STABLE	ICRA AA- / STABLE	ICRA A1+	ICRA A / STABLE
3	CARE	March 31, 2022	CARE AA-/ STABLE	NA	CARE AA-/ STABLE	CARE AA-/ STABLE	CARE A1+	CARE A / STABLE
		March 31, 2021	CARE AA-/ STABLE	NA	CARE AA-/ STABLE	CARE AA-/ STABLE	CARE A1+	CARE A / STABLE

Note 35J
Details of financing of parent company's products

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2022		As at March 31, 2021	
		No's	Amount	No's	Amount
1	Commercial vehicle#	968,24	11570,24.00	1345,37	9424,51.00
2	Passenger vehicle#	55,24	336,68.00	236,53	1366,56.00

#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, 2022	As at March 31, 2021
1	Total advances to twenty largest borrowers / customer	669,06.94	666,06.40
2	Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	2.24%	2.13%

Note 35L
Concentration of exposures

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Total exposure to twenty largest borrowers / customer	669,06.94	666,06.40
2	Percentage of exposures to twenty largest borrowers / customer to total exposure of the NBFC on borrowers / customer	2.24%	2.13%

Note 35M
Concentration of NPAs

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Total exposure to top four NPA accounts	31,60.31	46,98.15

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Note 35N

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

S. No.	Sector	As at March 31, 2022	As at March 31, 2021
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	0.00%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	10.60%	5.76%
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, 2022 : 10.31%, March 31, 2021 : 5.61%

Note 35O

Customer complaints

(Numbers)

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of complaints pending at the beginning of the year	169	228
2	No of complaints received during the year*	6,931	5,740
3	No of complaints redressed during the year	6,690	5,799
4	No of complaints pending at the end of the year	410	169

*complaints include legal cases lodged

Note 35P

Movement of NPAs

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	**Net NPAs to net advances**	5.98%	3.97%
2	**Movement of NPAs (Gross)**		
(i)	Opening balances	1748,39.68	1636,27.74
(ii)	Additions during the year	2195,01.86	818,91.24
(iii)	Reductions during the year	866,46.92	706,79.31
(iv)	Closing balances	3076,94.61	1748,39.68
3	**Movement of Net NPAs**		
(i)	Opening balances	1215,96.20	1405,48.76
(ii)	Additions during the year	898,37.25	292,23.25
(iii)	Reductions during the year	410,06.80	481,75.81
(iv)	Closing balances	1704,26.65	1215,96.20
4	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(i)	Opening balances	532,43.48	230,78.98
(ii)	Provisions made during the year	1296,64.61	526,67.99
(iii)	Write-off / write-back of excess provisions	456,40.12	225,03.49
(iv)	Closing balances	1372,67.97	532,43.48

Note 35Q

Forward Rate Agreement / Interest Rate Swap

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	The notional principal of swap agreements	1785,74.50	2157,17.00
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the	67,84.62	-
(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	67,84.62	(14,68.25)

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 42 for risk management policies adopted by the Company.

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Quantitative Disclosures

(₹ in lakhs)

S. No.	Particulars	March 31, 2022		March 31, 2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging	1785,74.50		2157,17.00	
(ii)	Marked to Market Positions				
	a) Asset (+)	84,57.16	3,06.97	26,23.53	12.41
	b) Liability (-)		(19,79.51)		(41,04.19)
(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, 2022	March 31, 2021
No. of accounts restructured	14,337	32,395
Amount	1114,56.51	2770,60.96

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	26	232,54.35	NA	79.37%

*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
155,97.60	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)	140,77.38	48%
2	Collaterised Debt Obligation (CDO)	11,81.72	4%
3	Commercial Paper	46,62.78	16%
4	Working Capital Demand Loan	31,60.00	11%
5	Subordinated Debt	15,00.55	5%
6	Non-Convertible Debentures	33,86.60	12%
7	Cash Credit		

(v) Stock ratios

Sr. No.	Particulars	Total public funds	Total liabilities	Total assets
1	Commercial papers as a percentage of	15%	16%	14%
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	35%	37%	32%

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.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

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)
For the previous year i.e. financial year 2020-21

(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	26712,69.59	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.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

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 35T
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	22861,77.55	89,09.15	22772,68.40	233,29.06	(144,19.91)
	Stage-2	3914,17.82	174,31.69	3739,86.13	156,81.90	17,49.79
Subtotal		**26775,95.37**	**263,40.84**	**26512,54.53**	**390,10.96**	**(126,70.12)**
Non-Performing Asset (NPA)						
SubStandard	Stage-3	2172,21.20	957,59.70	1214,61.50	217,22.12	740,37.58
Doubtful up to 1 Year	Stage-3	383,88.86	183,79.78	200,09.08	262,45.20	(78,65.42)
1 to 3 Years	Stage-3	435,00.31	153,11.45	281,88.86	313,20.51	(160,09.06)
More than 3 Years	Stage-3	85,84.25	78,17.04	7,67.21	68,67.40	9,49.64
Subtotal of Doubtful		**904,73.42**	**415,08.27**	**489,65.15**	**644,33.11**	**(229,24.84)**
Loss	Stage-3	-	-	-	-	-
Subtotal of NPA		**3076,94.62**	**1372,67.97**	**1704,26.65**	**861,55.23**	**511,12.74**
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	33.47	0.09	33.38	-	0.09
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		**33.47**	**0.09**	**33.38**	**-**	**0.09**
TOTAL	Stage-1	22862,11.02	89,09.24	22773,01.78	233,29.06	(144,19.82)
	Stage-2	3914,17.82	174,31.69	3739,86.13	156,81.90	17,49.79
	Stage-3	3076,94.62	1372,67.97	1704,26.65	861,55.23	511,12.74
		29853,23.46	**1636,08.90**	**28217,14.56**	**1251,66.19**	**384,42.71**

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, 2022 and accordingly, no amount is required to be transferred to impairment reserve.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

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)

For the previous year i.e. financial year 2020-21

(₹ 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)						
SubStandard	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 reserve.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

Additional disclosures given in terms of the Non Banking Financial Companies - Systemically Important Non Deposit Taking Company and Deposit Taking Company

35 **Note 35U**

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 60% from December 01, 2021 and TMFL's LCR stood at 106% for the quarter ended March 31, 2022.
Below is the quarterly summary of LCR values for financial year 2021- 2022.

(₹ in lakhs)

No.	Particulars	Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021	
		Total Unweighted Value	**Total Weighted Value**	**Total Unweighted Value**	**Total Weighted Value**	**Total Unweighted Value**	**Total Weighted Value**	**Total Unweighted Value**	**Total Weighted Value**
	High Quality Liquid Assets (HQLA)								
(i)	Fixed Deposits (unencumered)	-	-	864,24.85	864,24.85	1085,33.11	1085,33.11	1249,17.20	1249,17.20
(ii)	Investment in Government Securities	897,28.40	897,28.40	92,54.76	92,54.76	-	-	-	-
(iii)	Cash & Bank Balance	104,04.47	104,04.47	108,92.48	108,92.48	73,36.10	73,36.10	91,53.18	91,53.18
(iv)	Investment in Listed Companies	-	-	-	-	38,63.23	38,63.23	27,56.02	27,56.02
1	**Total HQLA**	**1001,32.87**	**1001,32.87**	**1065,72.09**	**1065,72.09**	**1197,32.44**	**1197,32.44**	**1368,26.40**	**1368,26.40**
	Cash Outflow								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	1262,08.87	1451,40.20	694,28.88	798,43.21	692,66.44	796,56.41	1004,94.03	1155,68.14
4	Secured wholesale funding	920,15.39	1058,17.70	1223,13.04	1406,59.99	971,17.67	1116,85.33	953,57.59	1096,61.23
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and oth	37.38	42.98	-	-	-	-	5,59.87	6,43.86
(ii)	Outflows related to loss of funding on debt produ	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	995,88.44	1145,26.71	741,40.11	852,61.12	677,69.59	779,35.02	767,09.35	882,15.75
7	Other contingent funding obligations	92,65.52	106,55.35	77,84.48	89,52.15	69,11.77	79,48.54	96,07.93	110,49.12
8	**Total Cash Outflow**	**3271,15.60**	**3761,82.94**	**2736,66.51**	**3147,16.47**	**2410,65.47**	**2772,25.30**	**2827,28.77**	**3251,38.10**
	Cash Inflow								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	731,87.94	548,90.95	726,77.05	545,07.78	656,26.30	492,19.73	731,46.27	548,59.70
11	**Other cash inflows**	**6108,24.48**	**4581,18.36**	**4353,81.95**	**3265,36.46**	**5176,29.56**	**3882,22.17**	**5132,89.81**	**3849,67.36**
(i)	Mutual Funds								
(ii)	Other Fixed Deposit having maturity < 30 days								
(iii)	Other Inflows								
(iv)	Available Credit Lines								
12	**Total Cash Inflow**	**6840,12.42**	**5130,09.31**	**5080,59.00**	**3810,44.24**	**5832,55.86**	**4374,41.90**	**5864,36.08**	**4398,27.06**
13	**Total HQLA**		1001,32.87		1065,72.09		1197,32.44		1368,26.40
14	**Total Net Cash Outflow**		940,45.74		786,79.12		693,06.33		812,84.52
15	**LIQUIDUTY COVERAGE RATIO (%)**		106%		135%		173%		168%

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.

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2022

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)

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 March 31, 2022 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.

(₹ in lakhs)

No.	Particulars	Quarter ended March 31, 2021		Quarter ended December 31, 2020		Quarter ended September 30, 2020		Quarter ended June 30, 2020	
		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
	High Quality Liquid Assets (HQLA)								
(i)	Fixed Deposits (unencumered)	868,88.48	868,88.48	705,11.35	705,11.35	637,18.67	637,18.67	706,72.33	706,72.33
(ii)	Cash & Bank Balance	240,37.12	240,37.12	1,83.68	1,83.68	29.21	29.21	49,69.00	49,69.00
(iii)	Investment in Listed Companies	24,12.88	24,12.88	18,06.96	18,06.96	13,05.87	13,05.87	10,20.19	10,20.19
1	**Total HQLA**	**1133,38.48**	**1133,38.48**	**725,01.99**	**725,01.99**	**650,53.75**	**650,53.75**	**766,61.52**	**766,61.52**
	Cash Outflow								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	1032,91.77	1187,85.53	1450,89.34	1668,52.74	2030,64.99	2335,24.74	1457,32.69	1675,92.60
4	Secured wholesale funding	1165,64.69	1340,49.39	1014,65.37	1166,85.18	1478,95.56	1700,79.89	1596,88.22	1836,41.46
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	1,07.13	1,23.20	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	708,78.15	815,09.87	504,20.96	579,84.10	425,02.72	488,78.13	445,06.76	511,82.77
7	Other contingent funding obligations	67,75.26	77,91.55	59,46.26	68,38.20	49,03.12	56,38.59	44,07.40	50,68.51
8	**Total Cash Outflow**	**2976,17.00**	**3422,59.54**	**3029,21.93**	**3483,60.22**	**3983,66.39**	**4581,21.35**	**3543,35.07**	**4074,85.34**
	Cash Inflow								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	697,19.68	522,89.76	759,79.68	569,84.76	702,59.42	526,94.56	313,06.89	234,80.16
11	Other cash inflows	4857,93.02	3643,44.76	4949,37.98	3712,03.49	4436,40.51	3327,30.39	4625,21.19	3468,90.89
12	**Total Cash Inflow**	**5555,12.70**	**4166,34.52**	**5709,17.66**	**4281,88.25**	**5138,99.93**	**3854,24.95**	**4938,28.08**	**3703,71.05**
13	**Total HQLA**		1133,38.48		725,01.99		650,53.75		766,61.52
14	**Total Net Cash Outflow**		855,64.89		870,90.06		1145,30.34		1018,71.34
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 35T
Other disclosures

1 No penalties were imposed by RBI and other regulators during the financial year 2021-22. (financial year 2020-21: Nil)
2 The Company does not have any exposure in real estate sector during the financial year 2021-22. (financial year 2020-21: Nil)
3 The Company has not exceeded the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2021-22. (financial year 2020-21: 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 2021-22 except as disclosed in Statement of Changes in Equity. (financial year 2020-21: Nil)
6 The Company has not sold any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year 2021-22. (financial year 2020-21: Nil)
7 The Company has not purchased any non-performing financial assets during the financial year 2021-22. (financial year 2020-21: 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, 2022, the amount of unsecured advances stood at Rs.789,20.37 Lakhs (March 31, 2021: Rs. 638,51.17 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, 2022:

(₹ 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	933,09.26	133,70.39	180,50.86	-	-	1247,30.51
(b) Loans	15846,86.16	12356,92.50	-	-	-	28203,78.66
(c) Trade & other receivables	35,34.00	-	-	-	-	35,34.00
(d) Cash and cash equivalents	2498,96.81	-	-	-	-	2498,96.81
(e) Other bank balances	434,22.56	-	-	-	-	434,22.56
(f) Other financial assets	717,19.98	-	-	-	-	717,19.98
(g) Derivative financial instruments	-	-	-	87,64.13	-	8,764.13
Total	**20465,68.77**	**12490,62.89**	**180,50.86**	**87,64.13**	**-**	**33224,46.66**

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
(a) Borrowings	18695,89.37	-	-	-	-	18695,89.37
(b) Debt securities	8049,37.43	-	-	-	-	8049,37.43
(c) Trade & other payables	335,02.52	-	-	-	-	335,02.52
(d) Subordinated liabilities	1500,55.82	-	-	-	-	1500,55.82
(e) Derivative financial instruments	-	-	-	19,79.51	-	19,79.51
(f) Other financial liabilities	786,27.52	-	-	-	-	786,27.52
Total	**29367,12.67**	**-**	**-**	**19,79.51**	**-**	**29386,92.18**

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, 2022					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	314,21.24	314,21.24	94,32.27	-	219,88.98	314,21.24
(b) Derivative instruments	87,64.13	87,64.13	-	87,64.13	-	87,64.13
(c) Loans	12356,92.50	12356,92.50	-	-	12356,92.50	12356,92.50
Total	**12758,77.87**	**12758,77.87**	**94,32.27**	**87,64.13**	**12576,81.48**	**12758,77.87**

Particulars	As at March 31, 2022					
	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	15846,86.16	16192,99.46	-	-	16192,99.46	16192,99.46
Total	**15846,86.16**	**16192,99.46**	**-**	**-**	**16192,99.46**	**16192,99.46**

Particulars	As at March 31, 2022					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value						
(a) Derivative instruments	19,79.51	19,79.51	-	19,79.51	-	19,79.51
	19,79.51	**19,79.51**	**-**	**19,79.51**	**-**	**19,79.51**

Particulars	As at March 31, 2022					
	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	1307,15.82	1334,35.17	-	1334,35.17	-	1334,35.17
(b) Debt securities	3386,59.36	3572,85.07	-	3572,85.07	-	3572,85.07
(c) Subordinated liabilities	1500,55.82	1675,24.78	-	1675,24.78	-	1675,24.78
Total	**6194,31.00**	**6582,45.02**	**-**	**6582,45.02**	**-**	**6582,45.02**

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Notes forming part of financial statements for the year ended March 31, 2022

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	127,89.53	-	-	242,32.84
(b)	Loans	22131,39.99	7917,33.23	-	-	-	30048,73.21
(c)	Trade & other receivables	67,43.75	-	-	-	-	67,43.75
(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	544,58.43	-	-	-	-	544,58.43
(g)	Derivative financial instruments	-	-		26,23.53	12.41	26,35.94
	Total	**27999,13.46**	**8029,86.54**	**127,89.53**	**26,23.53**	**12.41**	**36183,25.46**

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	310,48.64	-	-	-	-	310,48.64
(d)	Subordinated liabilities	1654,93.19	-	-	-	-	1654,93.19
(e)	Derivative financial instruments	-	-	-	41,04.19	-	41,04.19
(f)	Other financial liabilities	736,54.67	-	-	-	-	736,54.67
	Total	**32135,75.13**	**-**	**-**	**41,04.19**	**-**	**32176,79.32**

Fair value hierarchy

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

Particulars	As at March 31, 2021					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	240,42.84	240,42.84	63,78.99	-	176,63.85	240,42.84
(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	**8184,12.01**	**8184,12.01**	**63,78.99**	**26,35.94**	**8093,97.08**	**8184,12.01**

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	22131,39.98	22416,09.54	-	-	22416,09.54	22416,09.54
Total	**22131,39.98**	**22416,09.54**	**-**	**-**	**22416,09.54**	**22416,09.54**

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
	41,04.19	**41,04.19**	**-**	**41,04.19**	**-**	**41,04.19**

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
Total	**7314,59.75**	**7819,55.98**	**-**	**7819,55.98**	**-**	**7819,55.98**

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 transfers 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, 2022 and March 31, 2021. 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 below :

(₹ in lakhs)

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Balance at the beginning of the period/year	8093,97.08	3810,52.09
Additions during the period/year	8489,28.61	6038,39.51
MTM (loss)/gain recognized in OCI	15,08.88	168,63.28
MTM gain recognized in P&L	53,33.97	52,61.83
Realised during the period/year	(4074,87.07)	(1976,19.63)
Balance at the end of the period/year	**12576,81.47**	**8093,97.08**

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, 2022**		**For the year ended March 31, 2021**	
	Right-of-use assets	**Other financials liabilities**	**Right-of-use assets**	**Other financials liabilities**
	Buildings	**Lease Liabilities**	**Buildings**	**Lease Liabilities**
	(Audited)	**(Audited)**	**(Audited)**	**(Audited)**
Balance at the beginning of the year	43,62.54	47,31.60	49,27.46	52,06.78
Additions	36,31.13	36,31.77	19,03.07	19,03.07
Deletions	(1,28.41)	(1,34.04)	(11,71.70)	(12,78.58)
Depreciation expense	(12,47.73)	-	(12,96.29)	-
Interest expense	-	5,07.72	-	4,21.61
Payments	-	(15,27.96)	-	(15,21.28)
Balanced at the end of the year	**66,17.53**	**72,09.09**	**43,62.54**	**47,31.60**

When measuring the lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate.
Refer Note 42 on Financial Risk Management for maturity analysis of lease liabilities at March 31, 2022

(₹ in lakhs)

Set out below, are the amounts recognised in profit and loss	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Depreciation expense of right-of-use assets	12,47.73	12,96.29
Interest expense on lease liabilities	5,07.72	4,21.61
Rent expense- Short term leases	8,52.57	8,00.40
Leases of low value assets	5.12	5.61
Variable lease payments (not being linked to any index or rate)	-	-

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, 2022	As at March 31, 2021
Within 1 year	44,16.64	65,17.24
1-2 years	33,71.23	47,20.14
2-3 years	12,30.72	31,26.20
3-4 years	87.71	11,35.90
4-5 years	-	46.98
Above 5 years	-	-
Total	**91,06.30**	**155,46.46**

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, 2022	March 31, 2021
Less than 1 year	35,54.33	7,00.62
1-2 years	19,74.13	6,47.31
2-3 years	14,98.26	3,36.05
3-4 years	9,29.94	2,96.05
4-5 years	8,22.64	1,97.47
more than 5 years	1,25.99	2,77.17
Total undiscounted lease payments receivable	**89,05.29**	**24,54.68**
Unearned finance income	(1,510.74)	(5,46.19)
Net investment in the lease	**73,94.55**	**19,08.49**

Further, Company has recognized following amounts in statement of profit and loss during the year

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Finance income on the net investment in the lease	4,03.11	83.02

Note 40
Reconciliation of Movement in Borrowings to cash flows from financing activities

(₹ in lakhs)

Particulars	As at April 01, 2021	Cash flows (net)	Exchange difference	Amortisation / EIR adjustments	As at March 31, 2022
Debt securities	8334,87.69	(547,85.07)	-	263,04.31	8050,06.92
Borrowings (Other than debt securities)	21098,90.94	(2477,53.46)	52,83.85	20,98.55	18695,19.88
Subordinated liabilities	1654,93.19	(154,45.00)	-	7.64	1500,55.83
Total	**31088,71.82**	**(3179,83.53)**	**52,83.85**	**284,10.50**	**28245,82.63**

Note: Debt securities includes commercial papers and zero coupon debentures for which the discounting charges paid is Rs. 288,61.01 lakhs and premium charges paid of Rs. 63,92.53 lakhs respectively on the repayment date is shown in the finance cost in cash flow statements.

(₹ 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 Rs. 226,29.02 lakhs and premium charges paid of Rs. 287,27.17 lakhs respectively on the repayment date is shown in the finance cost in cash flow statements

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Notes forming part of financial statements for the year ended March 31, 2022

Note 41
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

(₹ in lakhs)

	Particulars	March 31, 2022			March 31, 2021		
		Current	Non current	Total	Current	Non current	Total
I	**ASSETS**						
1	**Financial assets**						
(a)	Cash and cash equivalents	2498,96.81	-	2498,96.81	4266,10.87	-	4266,10.87
(b)	Bank Balance other than cash and cash equivalents	70,29.87	363,92.70	434,22.56	452,76.11	534,94.31	987,70.41
(c)	Derivative financial instruments(assets)	6,912.44	18,51.68	87,64.13	38.38	25,97.56	26,35.94
(d)	Receivables				-	-	
i.	Trade receivables	28,21.91	-	28,21.91	60,56.04	-	60,56.04
ii.	Other receivables	7,12.09	-	7,12.09	6,87.71	-	6,87.71
(e)	Loans	19470,94.11	8732,84.55	28203,78.66	16459,32.48	13589,40.73	30048,73.21
(f)	Investments	586,03.00	661,27.51	1247,30.51	-	242,32.84	242,32.84
(g)	Other financial assets	614,81.35	102,38.63	717,19.99	206,85.19	337,73.24	544,58.43
2	**Non-financial assets**						
(a)	Current tax assets (net)	-	157,20.72	157,20.72	-	109,94.33	109,94.33
(b)	Deferred tax assets (net)	-	191,94.87	191,94.87	-	149,46.38	149,46.38
(c)	Property, plant and equipment	-	209,52.10	209,52.10	-	235,83.16	235,83.16
(d)	Capital work-in-progress	-	-	-	-	-	-
(e)	Other intangible assets	-	3,21.62	3,21.62	-	4,61.83	4,61.83
(f)	Other non-financial assets	100,90.76	22,68.04	123,58.80	110,55.33	21,74.24	132,29.57
3	**Assets held for sale**	426,50.37	-	426,50.37	-	-	-
	Total assets	**23872,92.70**	**10463,52.42**	**34336,45.12**	**21563,42.11**	**15251,98.71**	**36815,40.82**
II	**LIABILITIES**						
1	**Financial liabilities**						
(a)	**Derivative financial instruments(liability)**	-	19,79.51	19,79.51	5,36.42	35,67.77	41,04.19
(b)	Payables						
i.	**Trade payables**						
	- total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises	210,70.10	-	210,70.10	262,83.40	-	262,83.40
ii.	Other payables					-	-
	- total outstanding dues of micro enterprises and small enterprises					-	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises	124,32.42	-	124,32.42	47,65.24	-	47,65.24
(c)	Debt securities	5841,02.44	2208,35.00	8049,37.43	6562,67.89	1772,19.80	8334,87.69
(d)	Borrowings (Other than debt securities)	8909,85.72	9786,03.64	18695,89.37	10306,19.38	10792,71.56	21098,90.94
(e)	Subordinated liabilities	190,04.74	1310,51.09	1500,55.82	154,40.94	1500,52.26	1654,93.19
(f)	Other financials liabilities	664,89.85	121,37.67	786,27.52	587,53.36	149,01.31	736,54.67
2	**Non-financial liabilities**						
(a)	Current tax liabilities (net)	53.31	-	53.31	53.31	-	53.31
(b)	Provisions	1,22.09	79,48.80	80,70.89	1,42.41	79,45.11	80,87.52
(c)	**Other non-financial liabilities**	68,97.06	-	68,97.06	75,88.19	-	75,88.19
	Total liabilities	**16011,57.72**	**13525,55.72**	**29537,13.44**	**18004,50.55**	**14329,57.81**	**32334,08.33**
	Net	**7861,34.98**	**(3062,03.29)**	**4799,31.69**	**3558,91.56**	**922,40.90**	**4481,32.48**

Note 42
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, 2022, 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 single customer from the financing business as of March 31, 2022 was Rs. 147,06.23 lakhs lakhs (March 31, 2021: Rs. 136,26.73 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.

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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)

Particulars	Stage-1		Stage-2		Stage-3		Total	
	Loans (Gross)	Impairment	Loans (Gross)	Impairment	Loans	Impairment	Loans (Gross)	Impairment
As at 31st March 2021	24126,95.60	131,70.99	5332,19.70	491,97.35	1737,82.13	524,55.89	31196,97.43	1148,24.23
Transfers during the year								
Transfer to Stage-1	1981,79.90	180,01.19	(1694,70.03)	(135,44.99)	(287,09.87)	(44,56.20)	-	-
Transfer to Stage-2	(2449,19.19)	(14,99.39)	2473,83.08	22,37.71	(24,63.90)	(7,38.32)	-	-
Transfer to Stage-3	(813,54.37)	(5,54.37)	(1275,10.76)	(119,80.41)	2088,65.12	125,34.78	-	-
	(1280,93.65)	159,47.43	(495,97.70)	(232,87.68)	1776,91.35	73,40.26	-	-
Impact of change in credit risk	-	(75,87.71)	-	39,32.98	-	1403,02.97		1366,48.24
Changes in Opening Credit	(14454,68.44)	(169,57.24)	(2056,44.16)	(172,65.53)	(439,86.04)	(270,03.74)	(16950,98.64)	(612,26.50)
New Credit Exposure during the	14461,90.63	43,31.54	1132,00.43	48,44.69	690,80.69	332,69.70	16284,71.76	424,45.93
Amount Written off During the	0	0	0	0	(708,86.76)	(708,86.76)	(708,86.76)	(708,86.76)
As at 31st March 2022	**22853,24.14**	**89,05.01**	**3911,78.28**	**174,21.81**	**3056,81.38**	**1354,78.32**	**29821,83.79**	**1618,05.14**

Particulars	Stage-1		Stage-2		Stage-3		Total	
	Loans (Gross)	Impairment	Loans (Gross)	Impairment	Loans	Impairment	Loans (Gross)	Impairment
As at 31st March 2020	22760,15.69	132,41.76	3545,85.36	221,72.13	1636,27.74	230,82.21	27942,28.80	584,96.10
Transfers during the year								
Transfer to Stage-1	823,48.24	41,59.37	(802,40.74)	(37,54.12)	(21,07.50)	(4,05.24)	-	-
Transfer to Stage-2	(2251,92.43)	(16,62.07)	2282,91.29	21,30.04	(30,98.85)	(4,67.98)	-	-
Transfer to Stage-3	(294,74.86)	(3,46.40)	(226,45.80)	(23,40.59)	521,20.67	26,86.99	-	-
	(1723,19.06)	21,50.90	1254,04.75	(39,64.67)	469,14.32	18,13.77	-	-
Impact of change in credit risk	-	(13,90.33)	-	79,75.52	-	433,81.47		499,66.66
Changes in Opening Credit	(9107,59.20)	(53,60.45)	(2029,82.26)	(82,87.52)	(344,54.93)	70,35.63	(11481,96.39)	(66,12.34)
New Credit Exposure during the	12197,58.16	45,29.10	2562,11.86	313,01.90	269,04.45	63,52.26	15028,74.47	421,83.26
Amount Written off During the	-	-	-	-	(29,209.45)	(29,209.45)	(29,209.45)	(29,209.45)
As at 31st March 2021	**24126,95.60**	**131,70.99**	**5332,19.70**	**491,97.35**	**1737,82.13**	**524,55.89**	**31196,97.43**	**1148,24.23**

Changes in the allowance for credit losses in loans are as follows:

(₹ in lakhs)

	For the year ended March 31,	
	2022	2021
Balance at the beginning	1148,24.23	584,96.10
Impairment loss recognised/(reversed)	1173,12.35	852,57.07
Amounts written off	(708,86.76)	(289,28.94)
Balance at the end	**1612,49.82**	**1148,24.23**

(B) Management of Liquidity risk

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

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

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

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

(₹ 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	18695,89.37	9890,79.43	6255,01.78	4173,66.72	-	20319,47.93
Trade and other payables	335,02.52	309,67.91	18,86.76	6,47.86	-	335,02.53
Debt securities	8049,37.43	6207,77.84	1076,75.82	1283,86.61	-	8568,40.27
Subordinated liabilities	1500,55.82	326,69.46	340,10.15	534,41.93	877,32.50	2078,54.04
Lease liabilities	72,09.09	32,76.93	31,59.92	69,99.83	36,10.01	170,46.69
Other financial liabilities (other than lease liabilities)	714,18.43	653,54.35	5,46.91	55,17.18	-	714,18.44
Derivatives						
Derivative contracts	19,79.51	-	-	19,79.51	-	19,79.51
Total	**29386,92.16**	**17421,25.92**	**7727,81.34**	**6143,39.64**	**913,42.51**	**32205,89.41**

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	1181,71.75	913,11.77	328,57.91	16,06.22	**1257,75.90**

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						
Borrowings	21098,90.94	11500,58.33	5383,06.64	6361,01.20	15,09.82	23259,75.99
Trade and other payables	310,48.64	307,01.11	93.93	2,53.60	-	310,48.64
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	689,23.07	570,16.32	2,90.34	107,01.74	-	680,08.40
Derivatives						
Derivative contracts	41,04.19	5,36.42	2.18	35,65.59	-	41,04.19
Total	**32176,79.32**	**19585,75.38**	**6640,66.50**	**8340,11.75**	**905,77.45**	**35472,31.08**

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	2972,15.50	1926,47.33	1030,25.33	355,04.97	3311,77.63

Notes forming part of financial statements for the year ended March 31, 2022

(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, 2022	As at March 31, 2021
Non derivative Financial Liabilities		
Variable rate borrowings*	15764,22.50	15183,75.79

* 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 Rs.15,764.22 lakhs and Rs. 15,183.76 lakhs on income for the year ended March 31, 2022 and March 31, 2021 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, 2022 and March 31, 2021 was Rs. 318,90.47 lakhs and Rs. 126,76.48 lakhs respectively.

(₹ in lakhs)

	Impact on profit for the year		Impact on other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Equity price Sensitivity				
Increase in equity price by 10 %*	17,51.12	11,92.26	14,37.92	11,25.33
Decrease in equity price by 10 %*	(17,51.12)	(11,92.26)	(14,37.92)	(11,25.33)

(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, 2022	As at March 31, 2021
CRAR (%) *	18.66%	19.36%
CRAR - Tier I capital (%)	11.11%	13.17%
CRAR - Tier II capital (%)	7.55%	6.19%

*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 43
Transfer of financial assets

The Company transfers loans arising from financing activities through securitisation and assignment 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, 2022		As at March 31, 2021	
	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
Loans	1246,48.08	1181,71.75	3008,43.49	2972,15.50

Net of provision of Rs. 23,94.55 lakhs and Rs.53,48.83 lakhs as at March 31, 2022, and March 31, 2021 respectively.

Note 44
Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. The relief measures announced by the Reserve Bank of India and easing down of lockdown led to improvement in the economy. The second wave started in beginning of current fiscal. After June 2021 quarter end, the impact of second wave started subsiding significantly and again the economy started resuming back to normal economy operations across the country. The impact of the recent outbreak of third wave of Covid-19 has been mild till date but as a precautionary measure, localised/regional restrictions were there. While there is a good progress in vaccination programme and the impact of recent wave was not severe, the final impact may be different than the estimated based on conditions prevailing as on date of approval of these financial results. The Management will continue to closely monitor the material changes in the macro-economic factors impacting the operation of the Company.

Note 45
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 46
Additional disclosures given in terms of Notification dated March 24, 2021 issued by Ministry of Corporate affairs.

a. Title deed of immoveable properties
The title deed of properties are held in the name of Company. Hence, other disclosure requirments are not applicable.

b. As at March 31, 2022 and as at March 31, 2021, the Company does not have any loans or advances outstanding to promoters, directors, KMPs and the related parties, that are repayable on demand or without specifying any terms of repayment.

c. Capital Work in Progress & Intangible Assets under Development amounted to Nil at March 31, 2022 and Nil at March 31, 2021.

d. There is no proceedings initiated/pending against the Company for benami property.

e. Borrowings from banks or financial institutions
The Company borrows from banks or financial institutions on the basis of security of current assets. Quarterly returns filed by the Company are in agreement in the books of accounts.

f. Wilful Defaulter
The Company has not been declared as Wilful Defaulter by any bank or financial institution or any lender.

g. During FY2022 and FY2021, the Company did not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

h. Registration of charges or satisfaction with Registrar of Companies (ROC)
At March 31, 2022 and at March 31, 2021, there is no charges or satisfaction with charge yet to be registered with Registrar of Companies beyond the statutory period.

i. Compliance with number of layers of companies
As per Companies (Restriction on number of layers) Rules, 2017, Non-Banking Financial Companies are exempted from restriction on number of layers.

j. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

k. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

l. Transaction not recorded in the books of account that has been surrendered or disclosed as income in the tax assessment during the financial year ended March 31, 2022 and March 31, 2021 amounted to Nil.

m. The Company has not traded/invested in crypto currency or virtual currency for the year ended March 31, 2022 and March 31, 2021

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2022

Note 47
Information as required by Reserve Bank of India Circular on Resolution Framework for COVID 19 related stress dated August 6, 2020

Format B: Disclosure for year ended March 31, 2022

(₹ in lakhs)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the year ended (A)	Of (A), aggregate debt that slipped into NPA during the year ended	Of (A) amount written off during the year ended	Of (A) amount paid by the borrowers during the year ended	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2022
Personal Loans	-	-	-	-	253,22.56
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	3428,30.87
Total	**-**	**-**	**-**	**-**	**3681,53.43**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Note 48

The Company transfer standard loans through Direct Assignment route. Following table provide the details of loan transferred during the period ended 31.03.2022.

(₹ in lakhs)

Particulars	**For the year ended March 31, 2022**
Number of transactions	13
Number of loans assigned	49,963
Aggregate principal outstanding amount of loans assigned *	4331,80
Sale consideration	3898,62
Weighted average residual maturity (months)	39
Weighted average holding period (months)	13
Retention of beneficial economic interest	433,18
Tangible security coverage	100%
Rating wise distribution of rated loans assigned	NA
Number of instances (transactions) of replacing the transferred loans	NA
Number of transferred loans replaced	NA

* Indicates 100% principal outstanding amount as on loan assignment date.

Note 49
Asset Held for sale
The Company has acquired underlying collateral in satisfaction of its receivable from certain borrowers and has classified those assets as held for sale. As at March 31, 2022 assets held for sale amounted to Rs. 426,50.37 lacs. The Company expects to dispose off these assets in open market within next 1 year.

Note 50

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 ₹ 1,38.71 lakhs during period ended March 31, 2022 (during the year ended March 31, 2021: ₹ 87.40 lakhs) vide form FMR 1.

Note 51

Previous Year figures have been audited by a firm of chartered accountants, other than G. M. Kapadia & Co. and SHARP & TANNAN ASSOCIATES. The same has been regrouped / reclassified wherever required.

As per our report of even date attached
For SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm Registration Number: 109983W

For G. M. Kapadia & Co
Chartered Accountants
Firm Registration Number: 104767W

For and on behalf of the Board of Directors

Tirtharaj Khot
Partner
Membership No. 037457

Atul Shah
Partner
Membership No. 039569

P. S. Jayakumar
Director
(DIN - 01173236)

P.B. Balaji
Director
(DIN - 02762983)

Place: Mumbai
Date: April 28, 2022

Place: Mumbai
Date: April 28, 2022

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

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary

Place: Mumbai
Date: April 28, 2022

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Schedule to the Balance Sheet as at March 31, 2022 of a non-deposit taking non-banking financial Company

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

(₹ in lakhs)

	Particulars	Amount outstanding	Amount overdue
Liabilities side:			
(1)	**Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid:**		
	(a) Debentures : Secured (Note-1)	1945,92.72	-
	: Unsecured	3192,15.58	-
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	14096,58.33	-
	(d) Inter-corporate loans and borrowings	150,00.00	-
	(e) Commercial Papers (Note-2)	4662,78.07	-
	(f) Other Loans		
	- Working capital demand loan (secured)	3060,00.00	-
	- Working capital demand loan (unsecured)	100,00.00	
	- Cash Credit from banks	1,35.22	-
	- Collateral Debt Obligation	1187,12.61	-

	Particulars	Amount Outstanding
Assets side:		
(2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**	
	(a) Secured	29032,63.42
	(b) Unsecured	789,20.38
(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	73,94.54
	(b) Operating lease	31,06.20
	(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	168,02.92
	(b) Loans other than (a) above (refer note 1 & note 2 below)	29653,80.88
(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	-
	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	931,19.26
	(v) Others	88,92.65

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Schedule to the Balance Sheet as at March 31, 2022 of a non-deposit taking non-banking financial Company

	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			225,28.59
				-
(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	27414,96.03	788,82.63	28203,78.66
	Total	**27414,96.03**	**788,82.63**	**28203,78.66**
(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	308,06.73		308,06.73
	(c) Other related parties	-		-
	2 Other than Related Parties			
	Quoted			
	Investment in Equity Shares	2,64.90		2,64.90
	Unquoted			
	Investment in NCDs	-		-
	Investment in Senior Pass Through Certificates	-		-
	Investment in Units of Mutual fund	-		-
	Others	936,58.88		936,58.88
	Total	1247,30.51		1247,30.51
(7)	**Other information**			
	Particulars			
	(i) Gross Non-Performing Assets			
	(a) Related parties			-
	(b) Other than related parties			3076,94.61
	(ii) Net Non-Performing Assets			
	(a) Related parties			-
	(b) Other than related parties			1704,26.65
	(iii) Assets acquired in satisfaction of debt			-

Note 1: Includes Zero coupon debentures of Rs. 253,12.43 lakhs, net of unamortised premium on redemption and unamortised borrowing cost of Rs. 55,60.64 lakhs.

Note 2: Commercial Paper of Rs. 4662,78.07 lakhs are net of unamortised discounting charges and unamortised borrowing cost amounting to Rs. 137,21.93 lakhs.

P. S. Jayakumar
Director
(DIN - 01173236)

P.B. Balaji
Director
(DIN - 02762983)

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

Place: Mumbai
Date : April 28, 2022

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary