Tata Motors Finance Limited

Annual Report F.Y. 2022-2023

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

Mr. P.B. Balaji
Non-Executive Director

Mr. Shyam Mani,
Non-Executive Director

Mr. Dhiman Gupta,
Non-Executive Director

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.

BANKERS

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
CITI Bank
DBS BANK LTD
Deutsche Bank
Dhanlaxmi Bank
HDFC Bank Ltd
HSBC
ICICI Bank Ltd
IDBI Bank
IDFC First Bank Ltd
Indian Bank
Indian Overseas Bank
IndusInd Bank Ltd
International Finance
Corporation (IFC)
Karnataka 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 (NCD Listed)

TATA MOTORS FINANCE LIMITED

DIRECTORS' REPORT

MARCH 31, 2023

To,
THE MEMBERS
TATA MOTORS FINANCE LIMITED

The Directors feel privileged to present the 34th Annual Report on the business and operations of the Company and the statement of accounts for the year ended March 31, 2023.

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

Global economic conditions are surrounded by heightened uncertainty as inflation, interest rates and financial conditions remain volatile and financial markets on the edge. The economists in IMF expect a lower global growth rate in the range of 2.5% to 2.8% in 2023 (down from 3.4% in 2022), before expecting to settle at around 3.0% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown. Global headline inflation is being expected to fall from 8.7% in 2022 to about 7.0% in 2023 on the back of lower commodity prices but underlying core inflation is likely to decline more slowly.

In India, aggregate demand conditions remain resilient, supported by a rebound in contact-intensive services. Expectations of a good rabi harvest, the fiscal thrust on infrastructure, and the revival in corporate investment in select sectors augur well for the economy. In response to monetary policy actions and supply side measures, RBI estimates the headline CPI inflation to have gradually declined from its peak of 7.8% in April 2022 to 5.7% in March 2023 and is projected to ease further to 5.2% by Q4-FY24. Rupee ended the year at Rs 82.22 per USD (Mar-22 exit: Rs 75.81) after hovering between Rs 75 and Rs 83 levels. Forex reserves stood at about Rs 580 bn as at the year end. As far as monsoon is concerned, both Skymet and IMD has forecasted El-Nino, which in turn translates into sub-par rainfall expectation for the current year.

Automotive Industry overview

The automotive industry in India is one of the main pillars of the economy. Over the past few decades, the India's auto industry has witnessed a remarkable transformation, with the influx of technology playing a pivotal role in its evolution. With both, strong backward and forward linkages, it remains a key driver of growth and GDP. Liberalization and conscious policy interventions over the past few years created a vibrant, competitive market, and brought several new players, resulting in capacity expansion of the automobile industry and generation of huge employment. The contribution of this sector to GDP has risen to about 7.1% now from around 2.8% three decades ago. It also provides direct and indirect employment to about 2 crore people. Indian government targets to grow the industry size to ~Rs. 15 lakh crores by end of year 2024. The sector has drawn FDI inflows worth USD 33.8 billion between April 2000 and September 2022; which is around 5.5% of the total FDI inflows during the same period.

Indian commercial vehicle market is anticipated to grow during FY24 - FY28, on the grounds of surging freight movements and growing production of commercial vehicles. Higher demand from end use industries for transportation and higher prevalence of public transportation for transits are expected to drive growth in the commercial vehicle market over the next five years. Growing investments in the commercial automobile technological advancements is also expected to aid the market growth.

The emergence of EVs and connected cars has created newer avenues for growth and innovation. The government's push towards a sustainable future has also spurred the growth of EVs in the country, with major manufacturers investing heavily in research and development. Use of artificial intelligence and machine learning has revolutionised the industry, with corporates using data analytics to optimise their operations, enhance the customer experience and offer safer driving experience with features like ‘advanced driver assistance systems’ (ADAS) coming into play. Rise of ‘Internet of Things’ has also led to the development of connected cars, allowing drivers to access real-time information and control their vehicles remotely.

NBFC Sector Overview

Over the years, the NBFC sector has made rapid strides, furthering financial inclusion by offering tailor-made financial products to segments underserved by banks. In recent years, however, quite a few NBFCs have assumed a larger systemic significance with inter-linkages across the financial system, prompting a regulatory overhaul. As a result, RBI introduced scale based regulations in October 2022 wherein NBFCs have been segregated into four layers, viz., Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL) and Top Layer (NBFC-TL); based on their size, activity, and perceived level of riskiness. RBI has also extended its Prompt Corrective Action (PCA) framework, akin to that applicable to banks, to NBFCs in the middle and upper layers so as to undertake remedial measures in a timely manner if vital financial parameters like capital adequacy, Tier- I capital and NNPA breach the prescribed thresholds.

Auto NBFCs have been playing a key role in the economy, as it extends access to credit to large strata of population who wish to own a vehicle. The sector has been witnessing both opportunities and challenges. Its performance has been impacted by various factors, including economic conditions, regulatory changes etc. Increasing competition from banks and new-age fintech companies is another major challenge faced by the sector. While banks have been increasingly offering auto loans at competitive rates, fintech companies are disrupting the traditional auto financing model by offering innovative digital solutions to consumers. To remain competitive and grow, auto NBFCs need to adopt digital technologies to offer innovative solutions to consumers. Many auto NBFCs are already offering online loan applications, digital documentation, and other services to provide a seamless experience to consumers.

Despite these challenges and various adverse economic conditions, the sectoral growth remained resilient. Both, regulator and the Indian government have extended several measures to support the growth of the sector like ‘Pradhan Mantri Mudra Yojana’ to provide affordable finance to small businesses, including auto dealerships. As a part of government’s focus on promoting electric vehicles, GST on EVs has been reduced; making them more affordable and accessible to consumers. Additionally, increasing demand for commercial vehicles due to economic growth and rising aspirations of consumers to own a vehicle are some of the factors that is expected to drive growth. Auto NBFCs will have to however, embrace the swift adoption of digital technologies and offer innovative solutions to remain relevant, competitive and grow in the future.

3. FINANCIAL RESULTS

(Figures in crore)

PARTICULARS	**F.Y. 2022-23 (Rs.)**	**F.Y. 2021-22 (Rs.)**
Total Income	3668.24	3,852.65
Less:		
Finance Costs	2047.17	2,064.49
Impairment of financial instruments and other assets	1688.52	1,111.34
Employee benefits expenses	303.92	261.11
Other expenses	610.58	454.91
Depreciation / Amortization	56.80	57.70
Profit Before Exceptional Item	**(1038.75)**	**(96.90)**
Exceptional item	-	-
Profit Before Tax	**(1038.75)**	**(96.90)**
Less: Tax Expense	(5.56)	(70.16)
Profit After Tax	(1033.19)	(26.74)
Other comprehensive income forming part of Retained earnings	5.23	1.94
Total comprehensive income for the year	**(1027.96)**	**(24.80)**
Balance brought forward from previous year (distributable)	176.82	362.64
Amount Available for Appropriations	(851.14)	337.84

Appropriations		
Statutory Reserve	-	-
Dividend on equity shares	-	36.80
Dividend on preference shares (non-cumulative)	-	18.50
Distributions made to holders of Instruments entirely equity in nature (net of taxes)	132.48	98.38
Issuance expenses for instruments entirely equity in nature (net of taxes)	-	7.34
Surplus carried to Balance Sheet	**(983.62)**	**176.82**

4. DIVIDEND

The Company has not declared any dividend for FY 2022-23 on Equity Shares in view of losses and non- availability of distributable profits as per the Companies Act, 2013.

5. TRANSFER TO RESERVE

In absence of profit during the year, the Company was 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 2022-23, the Company recorded new vehicle disbursals of Rs. 10,717 crores registering decline of 10% in comparison to 2021-22 disbursals of Rs. 11,907 crores. The Company financed overall 68,505 units of vehicles as compared to 84,310 units in FY 2021-22, registering a decline of 19% YoY.

Commercial Vehicle financing contracts decreased by 19% to 64,304 units in FY 2022-23 as compared to 79,814 units in FY 2021-22.

On the Passenger Vehicle (PV) side of business, since FY 2021-22 onwards 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 continue to be lower. PV units financing declined by 7% to 4,201 units as compared to 4,496 units in FY 2021-22.

During the financial year ended March 31, 2023, the Company earned a total income of Rs. 3,668.24 crores as compared with Rs. 3,852.65 crores in FY 2021-22. Loss before tax for the current year came at Rs. 1,038.75 crores as against Rs. 96.90 crores in FY 2021-22 and loss after tax of Rs. 1,033.19 crores as against Rs. 26.74 crores for the corresponding period of previous year.

7. SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

During the year under review and as on the date of this Report, your Company does not have any Subsidiary and/or Associate Company / Joint Venture.

8. FINANCE

During FY 2022-23, 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, 2023 stood at Rs. 24,649.04 crore comprising mainly of Bank Borrowings (including ECBs) of Rs. 16,743.39 crore, Inter – Corporate Deposits (“ICDs”) of Rs. 300 crore, Commercial Papers of Rs. 3,256.07 crore and Non-Convertible Debentures (including Perpetual and Sub Debt) of Rs. 4,274.70 crore. The weighted average cost of borrowings for the year ended March 31, 2023 was 7.49% per annum on average borrowings of Rs. 26,948 crore. The Debt / Equity ratio as on March 31, 2023 was 5.56 times. The Company has been regular in servicing all its debt obligations.

The Company had also issued 7000 Unsecured, Redeemable, Listed, Non- Convertible Debentures (NCDs) of Face Value of Rs. 10,00,000/- during the FY 2022-23.

9. CREDIT RATING

As on March 31, 2023, 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-/ Positive	CARE AA-/ Stable
4	Non-Convertible Debenture	CRISIL AA-/ Stable	ICRA AA-/ Positive	CARE AA-/ Stable
5	Subordinated Tier II Debenture	CRISIL AA-/ Stable	ICRA AA-/ Positive	CARE AA-/ Stable
6	Perpetual Debt	CRISIL A/ Stable	ICRA A/Positive	CARE A /Stable

@“OUTLOOK on long term debt instruments and bank lines revised from STABLE to POSITIVE and rating of short term debt instrument and bank line reaffirmed at A1+, w.e.f. March 02, 2023.”

10. CAPITAL ADEQUACY

The Company's Capital adequacy as of March 31, 2023 is 24.00% (March 31, 2022: 18.66%), which is higher than the RBIs mandated level of 15.0%.

11. LIQUIDITY COVERAGE RATIO

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 Investment in Government Securities 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 calculation of High-Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Investment in Government Securities and Balance in current accounts with the Banks. 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 70% and TMFL's LCR stood at 137% for the quarter ended March 31, 2023.

12. ASSIGNMENT OF RECEIVABLES

A) <u>DIRECT ASSIGNMENT</u>

During the year, the Company also concluded 8 direct assignment transactions by assigning future loan receivables including future interest in the pool, aggregating to Rs. 3705.73 crore (Principal Outstanding Rs. 3012.48 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

The Company has not entered into any securitisation transaction for the year ended March 31, 2023.

13. SHARE CAPITAL

A. AUTHORISED AND PAID UP SHARE CAPITAL

The Authorised Share Capital of the Company as on March 31, 2023 was Rs. 2000,00,00,000/- (Rupees Two Thousand crore) and Paid-Up Share Capital was Rs. 979,65,96,900/- (Rupees Nine Hundred and Seventy Nine crore Sixty Five Lakhs Ninety Six Thousand Nine Hundred only) consisting of 979,65,969 equity shares of Rs. 100/- each.

B. ISSUANCE OF EQUITY SHARES ON RIGHTS ISSUE BASIS

During FY 2022-23, the Company has offered, issued and allotted 136,67,774 Equity Shares of Rs. 100 each on ‘Rights Issue’ basis for an aggregate amount of Rs. 700,36,45,154/- to TMF Holdings Limited. The details of said allotment are as under:

Date of allotment	No. of equity shares	Issue Price per share (in Rs.)	Total Amount (in Rs.)
30/08/2022	66,74,767	450	300,36,45,150
27/02/2023	69,93,007	572	400,00,00,004

C. CONVERSION OF COMPULSORY CONVERTIBLE PREFERENCE SHARES (CCPS)

The Company has allotted 2,34,70,506 (Two Crore Thirty-Four Lakhs Seventy Thousand Five Hundred and Six) Equity Shares of face value of Rs.100/- each to TMF Holdings Limited subsequent to conversion of existing Compulsorily Convertible Preference Shares (CCPS) into Equity shares.

14. NUMBER OF MEETINGS OF THE BOARD

Twelve (12) 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.

15. 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.
i. Investment Committee *(Constituted on April 28, 2023)*

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

16. 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 required to be provided.

17. INFORMATION TECHNOLOGY/ DIGITAL STRATEGY

The Company's comprehensive digital strategy encompasses improving customer experience, engaging channel partners and dealers, collaborating with new age product companies, and supporting customers in their growth journey. By leveraging digital technologies, we aim to transform our value chain and establish ourselves as a preferred and trusted financing partner.

While we aggressively digitize, we are committed to mitigate any organizational risks by prioritizing cybercrime prevention and bolstering information protection measures.

18. HUMAN RESOURCES (HR)

Human resources continued to play 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 22-23 are:

- TMF has pushed the **Talent Management strategy** strongly this year given the high attrition for last few quarters. We understood and benchmarked talent management with other large leading NBFCs and based on the learnings, TMF's talent management strategy was formulated. It aims at establishing a learning culture which will help us create future ready workforce & create succession pipeline for critical roles. We have curated few flagship programs which are a part of our talent management strategy –
    - <u>The Complete Banker Program</u> (N-3 Roles) - The Complete Banker Program is one of TMF leadership's flagship initiative partnered with IIM -A. The comprehensive year long program broadly phased upon enhancing financial proficiency, processes, customer centricity, and leadership skills of around 38 employees. The program majorly focused on blending classroom learnings with real-world scenarios, the learning from the IIM – A lessons were assimilated with 6 Action Learning Projects mentored by Management Committee leaders.
    - <u>The Young Banker Program</u> (N-4 Roles) - The curation of Young Banker Program for N-4 critical roles has started & this program aims at imparting critical competencies like Execution Excellence, enhancing financial proficiency, Customer centricity & people leadership skills. We will likely partner with a Mumbai / Pune based Top B school on this initiative.
    - <u>Aspiring Leaders Program</u> (N-5 Roles)– This is a inhouse curated program by the internal L&OD team. The program focusses on building critical competencies which will help our first line managers to focus on developing self & managing their teams better. The 6 – 8 months learning journey will also have few domain learnings by our Super Drona's & Leadership Learning Series by RBH'S / BH's. We have already delivered 10 -15 sessions & the program is found to be quite effective.
    - <u>Digital Learning</u> – We have purchased 100 licenses from LinkedIn Learning to meet the learning needs of our support group employees. This enables the support teams to gain knowledge and build skills specific to their domain / learning needs.
- TMF strongly advocates fitness under the CARE theme devised as a part of **Engagement Strategy**. We have embraced Cricket as a sport which binds us together & also promotes fitness amongst employees. Next year we are planning to launch TMF – IPL to promote the spirit of fitness in our DNA.
- To align **TMF Employee Benefits Polices** with the market and with the new age requirements, we benchmarked our People Polices with peers' companies and took feedback from employees. All internal and external inputs were analyzed by Core Cross Functional teams and required changes were proposed to Management Committee. 15-plus New Age TMF Policies were launched over the year for employees.
- There was pressure on talent side given the high attrition witnessed across the industry which impacted TMF also, but we were able to maintain the **Fill Rate** of more than 80% across the year. Additionally, the talent acquisition team helped ramp up digital team which needed different hiring vendors, different hiring titles / role descriptions, etc.

- **Employee safety** continuous to be the priority. Various safety initiatives were undertaken including periodic health check-ups, reinforcing strict road safety guidelines, fire safety training, etc.
- HR team conducted a comprehensive **Compensation Benchmarking** and giving employees compensation increases based on market pay for their role – did for both supervisory and feet-on-street manpower
- TMF seamlessly converted 900 **off-roll employees to on-roll** to help retain good junior employees
- Internal coaches provided **tailored coaching** to a number of high-potential mid-level employees to groom them for the next level role.
- **Career development opportunities** were widened for employees. Publishing the vacancy on internal job posting "Aspire" was made mandatory for all N-3 (three levels below MD&CEO) roles before hiring externally.

19. COMPLIANCE & REGULATORY FRAMEWORK

The Company has complied with all applicable laws, rules, regulations, guidelines, including the regulations and it does not carry on any business or activity other than as permitted by RBI. Company has neither accepted, nor will it accept any public deposits during the financial year 2022-23.

The Company is registered with the RBI as a CIC. The RBI vide its notification dated October 22, 2021 has introduced an integrated regulatory framework for NBFCs under "Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs". The SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc. Under SBR, NBFCs are divided into four layers viz., top layer, upper layer, middle layer and base layer based on the size, activity, and perceived riskiness. The Company is in the middle layer (NBFC-ML).

The Company shall continue to ensure compliance with all the requirements applicable to NBFC-ML under SBR within the prescribed timelines. Further, the Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including the Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 ("RBI Directions"), as amended from time to time, and it does not carry on any activity other than those permitted by the RBI for CICs.

The compliance requirements across various department are communicated comprehensively to all through regular communications. The company uses web-based tool as a repository of compliance tasks which are updated as an when new compliances are announced by regulators. The compilations of these reports are reviewed by the Audit Committee/Board. Besides, the internal auditors verify the compliances as part of their audit process.

There were no instances of non-compliance by the Company for which any penalties or strictures were imposed by the Stock Exchanges and SEBI, or any statutory authority on any matter.

The NCDs issued by the Company on a private placement basis are listed on the National Stock Exchange of India Limited. Accordingly, the Company has also complied with and continues to comply with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time. Further, SEBI vide its notification no. SEBI/LAD-NRO/GN/2021/47, issued on September 7, 2021, amended the SEBI Listing Regulations and made Regulations 15 to 27 applicable to the Debt Listed Companies having an outstanding value of listed Non-Convertible debt securities of Rs. 500 crore and above i.e. High Value Debt Listed Entity ("HVDLE"). Accordingly, Company has been classified as a HVDLE and complied with the aforementioned Regulations applicable to the Company.

20. 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.

21. 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.

22. 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 2022-23 is available on the website of the Company- www.tmf.co.in/Investor-zone

23. ACCOUNTS AND ACCOUNTING STANDARDS

The financial statements for the year ended March 31, 2023 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").

24. 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 Rs. 1148,31,89,278/- (USD 15,51,99,100.76/-).

25. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company has appointed Mr. Dhiman Gupta (DIN: 09420213) as an Additional Director, designated as Non-Executive Director of the Company with effect from May 24, 2022 based on the recommendation of Nomination and Remuneration Committee. The said appointment has been approved by the shareholders of the Company at the Annual General Meeting held on June 24, 2022.

Further, based on the recommendations of Nomination and Remuneration Committee and Board of Directors, Mr. Nasser Munjee (DIN: 00010180), Independent Director & Chairman of the Board, has been re-appointed for a second term with effect from March 03, 2023 till November 18, 2027 at the Extra- Ordinary General Meeting held on February 27, 2023.

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 (DIN: 02762983), Non- Executive Director, is liable to retire by rotation at ensuing Annual General Meeting and is eligible for re -appointment.

Mr. Shyam Mani who also retires by rotation at the ensuing Annual General Meeting, is not liable for re-appointment pursuant to Tata Corporate Governance Guidelines. The Board places on record its appreciation for the valuable guidance and contribution to the Board made by him during his tenure as a Director of the Company.

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 (KMPs) of the Company are Mr. Samrat Gupta, Managing Director & CEO, Ms. Ridhi Gangar, Chief Financial Officer and Mr. Vinay Lavannis, Company Secretary.

26. 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.

The performance of the Board, its committees, and individual directors was discussed at the Board Meeting. Performance evaluation of Independent Directors was done by the entire board, excluding the Independent Director.

27. 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 on a continuous basis, pursuant to the RBI Master Directions for NBFCs.

28. INTERNAL AUDIT FUNCTION

The Company has 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 is an integral part of the corporate governance structure and 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 the RBI Guidelines to NBFC to enhance the quality and effectiveness of their internal audit systems and processes. Duly approved by Audit Committee of the Board and Senior Management, the framework 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. The Risk Based Internal Audit Plan for Zones, Process and IS Audits have been built using risk assessment models which capture and quantify inherent risks, control risks and additional quantitative parameters as per the mandate of RBI. The Risk Based Internal Audit policy demarcates the roles and responsibility of three lines defence and provides guidance on all steps of the audit life cycle including rating of observations and reports.

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 meets the Head Internal Auditor at least once in a quarter without the presence of the MD or Senior Management. The Audit Committee of the Board reviews the status of Internal Audit Plan achievement and the issues and recommendations highlighted in the Internal Audit reports on a periodic basis in the presence of the management. The Internal Audit reports are discussed and recommendations for improving the risk and control environment are implemented in a time bound manner. The Internal Audit function of the Company also reviews and ensures that the audit observations are acted upon on a timely basis.

During the current financial year, M/s. Deloitte Consulting, 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.

29. 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, 2023.

30. RISK AND CONCERNS

The Company has been strengthening overall Risk Management Framework considering the overall growth in the business. The Company regularly reviews all the Key risks as 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.

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. There have been regular review of the portfolio including the status of Gross Non Performing Asset (GNPA) & Net Non-Performing Asset (NNPA) and necessary action have been taken including modification in policies, approach etc.

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 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.

31. 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
- Compliance risk

Over the years, the risks pertaining to financial , strategic risk and compliance 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. Further the Company has also adopted the ICAAP policy in line with the regulatory requirement.

32. 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.

33. 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.

34. STATUTORY AUDITORS

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.

35. SECRETARIAL AUDITORS

The Company 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. 2022-23. 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, 2023 is enclosed as Annexure -2 to this Report.

36. 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 2022-23. Further, the secretarial audit report also does not contain any qualifications, reservations, or adverse remarks or disclaimer for the F.Y. 2022-23.

37. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

A. UPDATE ON SCHEME OF DEMERGER

The Board of Directors has at its meeting held on October 3, 2022, approved a Scheme of Arrangement ("the Scheme") under Section 230 to Section 232 read with Section 66 of the Act, as amended between the Company and Tata Motors Finance Solutions Limited (its fellow subsidiary) and their respective shareholders for:

a. Demerger of the Non-Banking Finance related business ("NBFC Undertaking") of the Company through the Scheme, to be filed before the Hon'ble National Company Law Tribunal pursuant to Section 230 to Section 232 of the Act, as amended;

b. Reduction of securities premium, other reserves available with the Company after giving effect to the demerger and equity share capital (by reducing the face value of paid-up equity shares of the Company, by up to Rs 99/- (Rupees Ninety Nine Only) per equity share, thereby reducing the face value from existing Rs. 100/- (Rupees Hundred Only) per equity share to minimum of Re. 1/- (Rupee One Only per equity share) with a corresponding adjustment against negative balance in demerger reserve arising on demerger.

Appointed date for the scheme is April 1, 2023. The Reserve Bank of India has given its no-objection for the Scheme. The Scheme has been approved by the creditors of the respective companies and by the Hon'ble National Company Law Tribunal vide order dated June 14, 2023.

B. AMENDMENT IN ARTICLES OF ASSOCIATION (AOA)

The Company has amended the Articles of Association (AOA) of the Company through an Extra- Ordinary General Meeting held on June 29, 2022.

38. 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.

39. 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 forms part of this report.

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

40. 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, 2023

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

41. 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 2022-23.

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.

42. JOURNEY TOWARDS BUSINESS EXCELLENCE

The Company has accelerated its journey towards industry leadership by implementation of multiple new initiatives under its Pinnacle Program – TMF Business Industry Leadership Framework. The Company continued its normal Pinnacle Program activities which have become hygiene including Process Design documentation updation, Measure Tracking & Review, stakeholder surveys etc.

The new initiatives implemented in year 2022-23 includes the following business impactful programs:-

1. TMF Innovation Premier League (TMF Innovation Program)
2. TMF Knowledge Sharing Program.
3. Sharing of Best Practices on Tata Business Excellence Group (TBEXG) EDGE Portal.
4. Participating in group learning through attending EDGE webinars.
5. Outside in Learning (OIL) through benchmarking sessions with certain group companies

6. Participating in external events through sharing nomination of key projects implemented in TMF in areas related to Customer Service.
7. Pinnacle Master Class Series Program session with external senior keynote speakers.

In addition to above, the Company undertook optimization of TMF Universe Portal & Digitization of Enterprise Process Manual. It also undertook annual carbon foot-print exercise and reports them as per annual practices. It conducted IT DR & BCP program to evaluate the organizational resilience exercise during the year under review successfully. The Employee Health & Safety program was completely revamped in close collaboration with TBEXG team. This involved undertaking first time ever Hazard Identification and Risk Analysis Program across 70+ TMF locations and closing the identified observations.

43. 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 2022-23 of the Company is also available on the website of the Company, www.tmf.co.in.

44. 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: June 23, 2023

Annexure "1"

Annual Report on CSR Activities for FY. 2022-23

1. Brief outline on CSR Policy of the Company.

TMF launched its flagship skilling **program – Akanksha,** the focus area of this project is the empowerment of the driver community through trainings for financial literacy, road safety, health and hygiene, entrepreneurial skills, soft skills, digital literacy, occupation-related skills, and more. Last year training was given to over 11000 drivers carried out in **15 cities**.

TMF's **Project Suraksha** is a 'promise of protection'. Truck drivers are at greater health risk due to the nature of the working conditions, thus with an aim to provide free eye check-ups to truck drivers and truckers of the country, several health camps were set up in 15 cities across India. Through Project Suraksha we have completed eye check-up of 10000+ plus drivers.

Volunteering

At TMF, our engagement initiatives also align with employee volunteering, and we regularly encourage our employees to take some time out to volunteer. In FY 2022-23, our employees clocked in a total of 4771 hours of volunteering.

We also support and actively participate in initiatives by Tata Sustainability Group, like ProEngage and Tata Volunteering Week, which encourages employees to volunteer for social causes.

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	Mr. Shyam Mani	Non-Executive Director	2	2
3	Mr. Samrat Gupta	Managing Director & CEO	2	2

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	2022-23	NIL	8.75
	Total	NIL	8.75

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

Rs. 1345.29 Lakhs

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

Rs. 26.91 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 – NIL

(d) Total CSR obligation for the financial year (7a+7b-7c). – Rs. 26.91 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
35.66 Lakhs	NIL	NIL	NA	NA	NA

(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	27.76	27.76	NIL	No	Collective Good Foundation	CSR00001648
	Total						27.76	27.76				

** Volunteering expenses of 7.91 lakhs was spent during the year*

(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. 35.66 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. 26.91 Lakhs
(ii)	Total amount spent for the Financial Year	Rs. 35.66 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 8.75 Lakhs
(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)]	Rs. 8.75 Lakhs

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.		NIL	NIL				
	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.
	Total							

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 (asset-wise details) : Not applicable

(a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable

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

NASSER MUNJEE
Chairman
DIN: 00010180

Date: June 23, 2023

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 31st March, 2023

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 31st March, 2023 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, 2023 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 CIRCULARSEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time.

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)

SG & ASSOCIATES MUMBAI

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 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 Mr. Dhiman Gupta as Non-executive Director w.e.f. 24.05.2022.

Mr. Naseer Munjee has been re-appointed as an Independent Director for a second term w.e.f March 03, 2023 till November 18, 2027.

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, 2022 wherein approval of shareholders was obtained for ratification of remuneration paid to Mr. Samrat Gupta, Managing Director and CEO during the FY 2021-2022.

ii. Annual General Meeting was held on 24th June, 2022 for the Financial Year 2021-2022.

iii. Extra Ordinary General Meeting of the Company was held on 29th June, 2022 for alteration of Articles of Association and for variation of the terms of the Compulsorily Convertible Preference Shares issued by the Company.

iv. Allotment of 23,470,506 Equity Shares of the face value Rs. 100 (Rupees Hundred) each aggregating to Rs. 2,347,050,600/- (Two Thirty Four Crores Seventy Lakhs Fifty Thousand and Six Hundred) only by way of conversion of Compulsorily Convertible Preference shares (CCPS) into Equity Shares on 29th June, 2022.

SG & ASSOCIATES MUMBAI

v. Allotment of 7,000 Unsecured Listed Rated Non Convertible Debentures of the face value Rs. 10,00,000 (Rupees Ten Lakhs) each aggregating to Rs. 700,00,00,000/- (Rupees Seven Hundred crores) only on 30th August, 2022 on Private Placement basis.

vi. Allotment of 66,74,767 Equity Shares on Right Issue basis at Face value of Rs. 100/- each and premium of Rs. 350/- aggregating to Rs. 300,36,45,150/- on 30th August, 2022.

vii. Extra Ordinary General Meeting of the Company was held on 17th January, 2023 for payment of remuneration payable to Directors including Managing Director or Whole Time Director or Manager.

viii. Extra Ordinary General Meeting of the Company was held on 27th February, 2023 wherein approval of the shareholders was obtained for issuance of Non-Convertible Debentures on Private Placement basis and re- appointment of Mr. Naseer Munjee as an Independent Director for second term.

ix. Allotment of 69,93,007 (Sixty Nine Lakhs Ninety Three Thousand and Seven) Equity Shares of the face value of Rs. 100/- (Rupees Hundred) each, aggregating Rs. 400,00,00,004/-(Rupees Four Hundred Crores and Four Only) on a Right Issue basis on 27th February, 2023.

x. The Company had held Tribunal convened Meeting of Secured and Unsecured Creditors on 24th January, 2023.

For SG & Associates

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

Date: 23.06.2023
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

*Due to ICSI Portal issue UDIN could not be generated.

SG & ASSOCIATES MUMBAI

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 & Associates

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

Date: 23.06.2023
Place: Mumbai

*-Due to ICSI Portal issue UDIN could not be generated.

Office Address : 203, Second Floor, Mehek Plaza, Above Mehsana Co-op Bank Limited, Maharashtra Nagar, Borivali (W) Mumbai - 92.
E-mail : suhas62@yahoo.com
E-mail : sg.sgfirm@gmail.com
+91 98200 57999

Annexure- 3

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, 2023, the Company has Eight (8) 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, Mr. Dhiman Gupta, Non- Executive Director and Mr. Samrat Gupta, Managing Director & CEO. Mr. Dhiman Gupta has been appointed as Non-Executive Director w.e.f. May 24, 2022. The profile 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 and 152 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 in more than 7 listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023 have been made by the Directors. None of the Director 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. 12 (Twelve) 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 28, 2022, May 24, 2022, June 24, 2022, July 22, 2022, August 29, 2022, September 13, 2022, October 03, 2022, October 13, 2022, October 28, 2022, November 22, 2022, January 19, 2023 and March 21, 2023. 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, 2023 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 2022-2023	Whether attended last AGM held on *June 24, 2022* *(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	Independent	12	Yes	2	4	4	4	1. Cummins India Limited (ID)

Munjee # (Chairman) (DIN: 00010180)								2. The Indian Hotels Company Limited (ID) **Debt Listed Companies:** 3. Tata Motors Finance Solutions Limited (ID) 4. TMF Holdings Limited (ID)
Mr. P. S. Jayakumar (DIN: 01173236)	Independent	11	Yes	2	9	2	9	1. Adani Ports and Special Economic Zone Limited (ID) 2. JM Financial Limited (ID) 3. CG Power and Industrial Solutions Limited (ID) 4. HT Media Limited (ID) **Debt Listed Company:** 5. TMF Holdings Limited (ID)
Mrs. Vedika Bhandarkar (DIN: 00033808)	Independent	11	Yes	0	3	2	3	1. Tata Motors Limited (ID) **Debt Listed Company:** 2. Tata Motors Finance Solutions Limited -ID
Mrs. Varsha Purandare (DIN: 05288076)	Independent	12	Yes	1	9	5	8	1. Deepak Fertilizers and Petrochemicals Corporation Ltd. (ID) 2. Orient Cement Limited (ID) 3. The Federal Bank Ltd (ID) **Debt Listed Companies:** 4. TMF Holdings Limited (ID) 5. Tata Motors Finance Solutions Limited (ID) 6. Tata Cleantech Capital Ltd. (ID) 7. Tata Capital Limited (ID) 8. Tata Capital Financial Services Limited (ID)

Mr. P. B. Balaji (DIN: 02762983)	Non-Executive	10	Yes	1	6	0	4	1. Tata Consumer Products Limited (NED) **Debt Listed Companies:** 2. TMF Holdings Limited (NED) 3. Tata Motors Finance Solutions Limited (NED)
Mr. Shyam Mani (DIN: 00273598)	Non-Executive	12	Yes	1	3	0	3	**Debt Listed Companies:** 1. TMF Holdings Limited (NED) 2. Tata Motors Finance Solutions Limited (NED)
Mr. Dhiman Gupta $ (DIN: 09420213)	Non-Executive	10	Yes	0	3	0	0	**Debt Listed Companies:** 1. TMF Holdings Limited (NED) 2. Tata Motors Finance Solutions Limited (NED)
Mr. Samrat Gupta DIN: 07071479	Managing Director & CEO	12	Yes	0	1	0	1	1. TMF Holdings Limited (Debt Listed Company) - MD & CEO

*Excludes directorship in the Company, private companies, foreign companies and Companies under Section 8 of the Act.
Re- appointed as an Independent Director for a second term with effect from March 03, 2023.
$ Appointed as a Non- Executive Director with effect from May 24, 2022.

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

Change in Composition of the Board during Current and Previous Financial Year

Sr No	Name of Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective Date
1	NASSER MUKHTAR MUNJEE	Independent Director	Re-appointment	03-03-2023
2	DHIMAN GUPTA	Non-Executive Director	Appointment	24-05-2022

vi. During FY 2022-23, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

vii. On the date of this report, 1 [One] meeting of the Independent Directors was held on May 25, 2023.

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, 2023 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. Dhiman Gupta# (DIN: 09420213)	Non-Executive	Nil
Mr. Samrat Gupta (DIN: 07071479)	Managing Director & CEO	One Equity share jointly with TMF Holdings Limited

Appointed w.e.f. May 24, 2022

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. Dhiman Gupta#	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Samrat Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Appointed w.e.f. May 24, 2022

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, Lending Committee and Investment Committee.

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

i) <u>Audit Committee</u>

As on March 31, 2023, the Audit Committee comprises of 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.

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 and reasons for the same
    - Major accounting entries involving estimates based on theexercise 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 28, 2022, May 18, 2022, May 24, 2022, June 24, 2022, July 22, 2022, August 29, 2022, October 03, 2022, October 28, 2022, December 22, 2022, January 19, 2023 and March 21, 2023. The composition of the Audit committee and the attendance of its members at its meetings held during FY 2022-23 are given below:

Name of Member	Member since	Category	No. of Meetings	
			Held	Attended
Mr. P. S. Jayakumar	10/07/2020	Independent Director (Chairman)	11	10
Mrs. Vedika Bhandarkar	19/05/2017	Independent Director	11	8
Mrs. Varsha Purandare	16/06/2021	Independent Director	11	11
Mr. P. B. Balaji	29/01/2018	Non-Executive Director	11	9

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 Audit Committee / Board meets the Head Internal Auditor at least once in a quarter without the presence of the MD or Senior Management.

The previous AGM of the Company was attended by Mr. P. S. Jayakumar, Chairman of the Audit Committee.

ii) <u>Nomination and Remuneration Committee (NRC)</u>

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, 2023, the Nomination and Remuneration Committee comprises of Six (6) Directors namely Mrs. Vedika Bhandarkar (Chairperson), Mr. Nasser Munjee, Mr. P. S. Jayakumar, Mrs. Varsha Purandare, Independent Directors and Mr. P. B. Balaji & Mr. Shyam Mani, Non-Executive Directors.

During FY 2022–23, Five (5) meetings of the NRC were held on April 28, 2022, June 23, 2022, July 22, 2022, October 28, 2022 and March 21, 2023. The composition of the NRC and the attendance of its members at its meetings held during FY 2022-23 are given below:

Name of the member	Member since	Category	No. of meetings	
			Held	Attended
Mrs. Vedika Bhandarkar	17/06/2020	Independent Director (Chairperson)	5	5
Mr. Nasser Munjee	19/05/2017	Independent Director	5	5
Mr. P. S. Jayakumar	16/06/2021	Independent Director	5	5
Mrs. Varsha Purandare[i]	22/11/2022	Independent Director	1	1
Mr. P. B. Balaji	29/01/2018	Non-Executive Director	5	4
Mr. Shyam Mani	17/06/2020	Non-Executive Director	5	5

i. Appointed as a Member w.e.f. November 22, 2022.

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.

The previous AGM of the Company was attended by Mrs. Vedika Bhandarkar, Chairperson of the Nomination and Remuneration Committee.

iii) Risk Management Committee (RMC)

The Risk Management Committee of Directors manages the integrated risks of the Company. As of March 31, 2023, Risk Management Committee comprises Six (6) Directors namely Mrs. Varsha Purandare (Chairperson), Mr. P. S. Jayakumar, Independent Director, Mr. P. B. Balaji, Mr. Shyam Mani and Mr. Dhiman Gupta, Non- Executive Directors, Mr. Samrat Gupta, Managing Director & CEO.

During FY 2022-23, Five (5) meetings of the RMC were held on June 24, 2022, September 20, 2022, October 13, 2022, December 20, 2022 and March 28, 2023. The composition of the RMC and the attendance of its members at its meetings held during FY 2022-23 are given below:

Name of Member	Member since	Category	No. of Meetings	
			Held	Attended
Mrs. Varsha Purandare[i]	16/06/2021	Independent Director (Chairperson)	5	5
Mr. P. S. Jayakumar[ii]	10/07/2020	Independent Director	5	5
Mr. P. B. Balaji	29/01/2018	Non-Executive Director	5	4
Mr. Shyam Mani	19/05/2017	Non-Executive Director	5	5
Mr. Dhiman Gupta[iii]	24/06/2022	Non-Executive Director	4	3
Mr. Samrat Gupta	17/06/2020	Managing Director & CEO	5	5

i. Appointed as a Chairperson w.e.f. November 22, 2022.
ii. Stepped down as a Chairman and continued as a member w.e.f. November 22, 2022.
iii. Appointed as a Member w.e.f. June 24, 2022.

iv) 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, 2023, Asset-Liability Supervisory Committee comprises Seven (7) Members namely Mr. Samrat Gupta (Chairman) and Mr. Dhiman Gupta, Non- Executive Director, Ms. Ridhi Gangar, CFO, Mr. Neeloy Majumder, Chief Digital Marketing Officer, Mr. Rohit Sarda, Chief Credit Officer, Mr. Amit Mittal, Chief Risk Officer and Mr. Rohit Kumar, Head - Treasury.

During FY 2022-23, Four (4) meetings of the ALCO were held on June 24, 2022, September 20, 2022, December 20, 2022 and March 23, 2023. The composition of the ALCO and the attendance of its members at its meetings held during FY 2022-23 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Samrat Gupta[i]	Managing Director & CEO (Chairman)	4	4
Mr. Dhiman Gupta[ii]	Non- Executive Director	3	2
Mr. P. S. Jayakumar[iii]	Independent Director	2	2
Mrs. Varsha Purandare[iv]	Independent Director	2	2
Mr. Shyam Mani[iv]	Non- Executive Director	2	2
Mr. P. B. Balaji[iv]	Non- Executive Director	2	1
Ms. Ridhi Gangar	Chief Financial Officer	4	3
Mr. Neeloy Majumder [v]	Chief Digital & Marketing Officer	2	2
Mr. Rohit Sarda, [v]	Chief Credit Officer	2	2
Mr. Amit Mittal[v]	Chief Risk Officer	2	2
Mr. Rohit Kumar[v]	Head – Treasury	2	2

i. Appointed as Chairman w.e.f. November 22, 2022.
ii. Appointed as a Member w.e.f. June 24, 2022.
iii. Stepped down as a Chairman and Member w.e.f. November 22, 2022.
iv. Stepped down as a Member w.e.f. November 22, 2022.
v. Appointed as a Member w.e.f. November 22, 2022.

v) <u>Corporate Social Responsibility (CSR) Committee</u>

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, 2023, 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 2022-23, Two (2) meetings of the CSR Committee were held on August 25, 2022 and February 27, 2023. The composition of the CSR Committee and the attendance of its members at its meetings held during FY 2022-23 are given below:

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

vi) <u>Stakeholders Relationship Committee (SRC)</u>

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

As on March 31, 2023 Stakeholders' Relationship Committee (SRC) consists of Three (3) members namely Mr. Nasser Munjee (Chairman), Mr. Shyam Mani and Mr. Samrat Gupta.

During FY 2022-23, Two (2) meetings of the SRC were held on December 22, 2022 and March 21, 2023. The composition of the SRC and the attendance of its members at its meetings held during FY 2022-23 are given below:

Name of Member	Member since	Category	No. of Meetings	
			Held	Attended
Mr. Nasser Munjee[i]	24/05/2022	Independent Director (Chairman)	2	2
Mr. Shyam Mani	17/06/2020	Non-Executive Director	2	2
Mr. Samrat Gupta	17/06/2020	Managing Director & CEO	2	2
Mr. P. S. Jayakumar[ii]	-	Independent Director	-	-

i. Appointed as a Member and Chairman w.e.f. May 24, 2022.
ii. Stepped down as a Member and Chairman w.e.f. May 24, 2022.

The previous AGM of the Company was attended by Mr. Nasser Munjee, Chairman of the Stakeholders Relationship Committee.

Stakeholders' Relationship Committee – other details

In accordance with Regulation 6 of the Listing Regulations, the Board has appointed Mr. Vinay Lavannis, Company Secretary as the Compliance Officer.

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 2022-2023 are as follows:

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

vii) <u>Information Technology (IT) Strategy Committee (ITSC)</u>

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, 2023, the IT Strategy Committee (ITSC) comprises of Five (5) members namely Mrs. Varsha Purandare (Chairperson), Mr. P. S. Jayakumar, Mr. P. B. Balaji, Mr. Shyam Mani and Mr. Neeloy Majumder, Chief Digital and Marketing Officer (CDMO). Mr. Samrat Gupta (MD & CEO), Mr Anand Bang (Chief Operating Officer), Ms. Ridhi Gangar (CFO) and Mr. Ramesh Chandra (Chief Information Officer) are permanent invitees for the meeting of ITSC.

During FY 2022-23, Two (2) meetings of the ITSC were held on June 24, 2022 and December 22, 2022. The composition of the ITSC and the attendance of its members at its meetings held during FY 2022-23 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mrs. Varsha Purandare	Independent Director & Chairperson	2	2
Mr. P. S. Jayakumar	Independent Director	2	2
Mr. P. B. Balaji	Non-Executive Director	2	2
Mr. Shyam Mani	Non-Executive Director	2	2
Mr. Neeloy Majumder[i]	Chief Digital & Marketing Officer	1	1

i. Appointed as a Member w.e.f. November 22, 2022.

viii) <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, 2023, 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 2022-23 no meeting of the Lending Committee was held.

ix) <u>Investment Committee:</u>

The Board at its meeting held on April 28, 2023 has constituted an Investment Committee to take the decisions related to disposal of quoted and unquoted investments held by the Company.

As on the date of the report, the composition of the Committee comprises of Three (3) Directors namely Mr. P. S. Jayakumar (Chairman), Independent Director, Mr. P. B. Balaji and Mr. Dhiman Gupta, Non- Executive Directors.

IV. Details of the Remuneration for the year ended March 31, 2023:

a. Independent Directors and Non-Executive Director:

The Company has paid Sitting Fees to Independent Directors and Mr. Shyam Mani, Non-Executive Director for attending meetings of the Board and the Committees of the Board during FY 2022-23. Details of Sitting Fees and remuneration paid are given below:

Name of Director	Sitting Fees paid for attending Board and Committee Meetings during FY 2022-23 (Rs.)	Remuneration paid during FY 2022-23 (Rs.)
Mr. Nasser Munjee	8,70,000/-	-
Mr. P. S. Jayakumar	14,70,000/-	-
Mrs. Vedika Bhandarkar	11,00,000/-	-
Mrs. Varsha Purandare	14,50,000/-	-
Mr. P. B. Balaji*	-	-
Mr. Shyam Mani	11,40,000/-	-
Mr. Dhiman Gupta*	-	-

*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:

- Mr. Dhiman Gupta has been appointed as a Non- executive Director w.e.f. May 24, 2022.
- Mr. Nasser Munjee has been re- appointed as an Independent Director for a second term from March 03, 2023 till November 18, 2027.

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 2022-23, remuneration of Rs. 563.06 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. 2021-22	Friday, June 24, 2022	4.15 P.M.	Meeting held through video conferencing facility. Deemed venue was registered office of the Company.	No
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 (EGM)**:

Details of Extraordinary General Meetings of the members held during FY 22-23 are as under:

Date of EGM held during FY 2022-23	Time	Venue	Whether special resolution passed
Wednesday, May 11, 2022	2.30 P.M	Meeting held through video conferencing facility. Deemed venue was registered office of the Company.	Yes
Wednesday, June 29, 2022	10.00 A.M	Meeting held through video conferencing facility. Deemed venue was registered office of the Company.	Yes

Tuesday, January 17, 2023	4.00 P.M.	Meeting held through video conferencing facility. Deemed venue was registered office of the Company.	Yes
Monday, February 27, 2023	4.00 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 has approved the confirmation of 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.

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

(Rs. In lakhs)

Sr. No.	Auditors Remuneration (excluding taxes)	FY 2022-23
1.	As auditors - statutory audit	74.53
2.	Tax audit	10.00
3.	For other services	15.25
4.	Reimbursement of out of pocket expenses	2.39
	Total	**102.17**

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, 2023. 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 www.tmf.co.in. 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 2023

Date: August 01, 2023

Time: 4.40 p.m. (IST)

Venue: Meeting through Video Conference

XI. Financial Calendar

Year ending: April 1 to March 31

Dividend Payment: NA

XII. **Date of Record Date**: NA

XIII. **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 2022-23 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/ Stakeholders 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, 2022 to March 31, 2023 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. Shareholders as on March 31, 2023:

a. Categories of equity shareholding as on March 31, 2023

Category	Number of equity shares held	Percentage of holding
Promoters	97,965,969	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	**97,965,969**	**100**

b. Top ten equity shareholders of the Company as on March 31, 2023:

Name of the Shareholder	Number of Shares held	Amt paid up (Rs)	% of Total
TMF Holdings Limited	96,143,946	96,14,394,600	98.14
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	1.86
Total	**97,965,969**	**97,96,596,900**	**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, 2023. 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 forms part of the Board's Report.

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

NASSER MUNJEE
Chairman
DIN: 00010180
Date: June 23, 2023

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 2022-23.

For **TATA MOTORS FINANCE LIMITED**

SAMRAT GUPTA
Managing Director and CEO
(DIN: 07071479)

Date: June 23, 2023
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, 2023

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2023 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, 2023 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: June 23, 2023
Place: Mumbai

SG & ASSOCIATES
Company Secretaries

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of TATA MOTORS FINANCE LIMITED ("the Company").

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, 2023 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, 2021on 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 conditions of Corporate Governance is the responsibility of the management. My examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the 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, 2023.

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 &Associates
Practicing Company Secretary

Suhas S. Ganpule
Proprietor
Membership No: 12122
CP No: 5722

SG & ASSOCIATES MUMBAI

Place: Mumbai
Date: 23.06.2023
* Due to ICSI Portal UDIN could not be generated

Office Address : 203, Second Floor, Mehek Plaza, Above Mehsana Co-op Bank Limited, Maharashtra Nagar, Borivali (W) Mumbai - 92.
E-mail : suhas62@yahoo.com
E-mail : sg.sgfirm@gmail.com
+91 98200 57999

SG & ASSOCIATES
Company Secretaries

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

Date: 23.06.2023

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, 2023:

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
MR. DHIMAN GUPTA	09420213

For SG & Associates
Practicing Company Secretaries

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

Date: 23.06.2023
Place: Mumbai
* Due to ICSI Portal UDIN could not be generated

Office Address : 203, Second Floor, Mehek Plaza, Above Mehsana Co-op Bank Limited, Maharashtra Nagar, Borivali (W) Mumbai - 92.
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E-mail : sg.sgfirm@gmail.com
+91 98200 57999

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, 2023, 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, 2023, 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 31 to the Statement, which describes Scheme of Arrangement between the Company, its fellow subsidiary viz. Tata Motors Finance Solutions Limited and their respective shareholders for demerger of the NBFC undertaking of the Company. The Appointed date for the Scheme is April 1, 2023 and it is subject to approval of the National Company Law Tribunal and other regulatory authorities.

Our conclusion is not modified in respect of the above matter.

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

Key audit matter	How the matter was addressed in our audit
Impairment of loans to customers	
Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. The estimation of ECL on loan to customers 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 are 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 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	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. ➢ 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 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. ➢ Tested the ECL model, including assumptions and underlying computation. ➢ Tested assumptions used by the Management in determining the overlay for macro-economic factors.

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.	Assessed disclosures included in the Standalone Financial Statements in respect of expected credit losses.
IT systems and controls	
The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Accordingly, we identified IT systems and controls over financial reporting as a key audit matter for the Company.	➢ 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. ➢ 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. ➢ We reviewed the report obtained of independent professional firm for review of matters relating to IT systems and have considered their observations.

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 of the Director's Report but does not include the, Standalone Financial Statements and our 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.

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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. 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 Auditors’ 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 Auditors’ 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. 47(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. 47(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. No dividend has been declared or paid by the Company.

vi. Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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: 23039569BGURGK8882
Date: April 28, 2023
Place: Mumbai

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

Tirtharaj Khot
Partner
Membership No.: 037457
UDIN: 23037457BGYRJF5291
Date: April 28, 2023
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 is maintaining 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) of the Order 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, 2023, refer note 43 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
70,137	1,26,641.94	24,286.79	1,50,928.73

(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 Act. 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 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 Act, 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, 2023, on account of dispute are given below:

[Stated 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	670.19	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	1005.28	F.Y 2007- 08 to 2012- 13	High Court of Andhra Pradesh
Andhra Pradesh Value Added Tax Act, 2005	VAT	2,213.49	1475.66	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	2213.49	F.Y 2013- 14 to 2016- 17	High Court of Andhra Pradesh
Andhra Pradesh Value Added Tax Act, 2005	VAT	132.95	66.48	April 2017 to June 2017	High Court of Andhra Pradesh
Andhra Pradesh Value Added Tax Act, 2005	Penalty on VAT	132.95	132.95	April 2017 to June 2017	High Court of Andhra Pradesh
West Bengal Value Added Tax Act, 2005	VAT	365.00	0.00	FY 2007- 08 and FY 2011- 12	Supreme Court of India
Madhya Pradesh Value Added Tax Act, 2006	Entry Tax	79.42	47.66	F.Y 2013- 14	Appellate Authority, Bhopal
Jharkhand Value Added Tax Act, 2005	VAT	21.11	21.11	F.Y 2012-13	Joint Commissioner, Jharkhand
Rajasthan Value Added Tax Act, 2003	VAT	3.91	3.91	F.Y. 2014-15	Assistant Commissioner, Rajasthan Commercial tax
Rajasthan Value Added Tax Act, 2003	VAT	11.39	11.39	F.Y. 2015-16	Assistant Commissioner, Rajasthan Commercial tax

Goods and Service Tax Act, 2017	GST	10.66	9.80	F.Y. 2018-19	Assistant Commissioner of State tax, Bihar
Goods and Service Tax Act, 2017	GST	0.67	0.67	F.Y. 2018-19	Deputy Commissioner of State tax, Chhattisgarh.
Goods and Service Tax Act, 2017	GST	42.41	39.40	F.Y. 2019-20	State Tax officer, Jharkhand

(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) On verification carried out by us on test basis, 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 6 cases aggregating to Rs. 20.70 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 Act, has been filed during the year by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) 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) 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 Act, 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 RBI as the Company has been registered with RBI throughout the year.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. 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 RBI and one CIC which is not required to be registered with the RBI.

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

(xviii) There has been no resignation of the statutory auditor during the year and accordingly the reporting on paragraph 3(xviii) of the Order is not applicable.

(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 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) There is no amount remaining unspent in respect of ongoing projects. Accordingly, reporting on under paragraph 3(xx)(b) of the Order is not applicable for the year.

(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: 23039569BGURGK8882

Date: April 28, 2023
Place: Mumbai

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

Tirtharaj Khot
Partner
Membership No.: 037457
UDIN: 23037457BGYRJF5291

Date: April 28, 2023
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, 2023 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, 2023, 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 with reference to Standalone Financial Statement

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.

Auditors' Responsibility for Internal Financial Controls with reference to Standalone Financial Statement

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.	**For Sharp & Tannan Associates**
Chartered Accountants	Chartered Accountants
Firm Registration. No.: 104767W	Firm Registration. No.: 109983W
Atul Shah	**Tirtharaj Khot**
Partner	Partner
Membership No.: 039569	Membership No.: 037457
UDIN: 23039569BGURGK8882	UDIN: 23037457BGYRJF5291
Date: April 28, 2023	Date: April 28, 2023
Place: Mumbai	Place: Mumbai

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Balance Sheet as at March 31, 2023

(₹ in lakhs)

Particulars	Notes	As at March 31 2023	As at March 31 2022
I. ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	**5**	3227,01.92	2498,96.81
(b) Bank Balance other than cash and cash equivalents	**6**	61,41.91	434,22.56
(c) Derivative financial instruments	**14**	96,99.07	87,64.13
(d) Receivables			
i. Trade receivables	**7**	29,97.01	30,07.18
ii. Other receivables	**8**	2,37.54	5,26.82
(e) Loans	**9**	23756,33.22	28203,78.66
(f) Investments	**10**	1440,77.37	1247,30.51
(g) Other financial assets	**11**	796,12.06	681,97.04
		29411,00.10	**33189,23.71**
2 Non-financial assets			
(a) Current tax assets (net)		205,34.70	157,20.72
(b) Deferred tax assets (net)		219,54.00	191,94.87
(c) Property, plant and equipment	**12A**	200,33.12	209,52.10
(d) Other intangible assets	**12B**	2,24.14	3,21.62
(e) Other non-financial assets	**13**	132,83.51	116,44.92
		760,29.47	**678,34.23**
3 Assets held for sale		**170,63.56**	**426,50.37**
Total assets		**30341,93.13**	**34294,08.31**
II. LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Derivative financial instruments	**14**	14,86.64	19,79.51
(b) Payables	**15**		
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		10,67.67	8,87.68
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		193,51.93	160,57.90
(ii) Other payables			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		104,34.94	124,32.42
(c) Debt securities	**16**	6219,10.58	8049,37.43
(d) Borrowings (other than debt securities)	**17**	17118,26.47	18695,89.37
(e) Subordinated liabilities	**18**	1311,67.23	1500,55.82
(f) Other financials liabilities	**19**	784,45.38	770,96.66
		25756,90.84	**29330,36.79**
2 Non-financial liabilities			
(a) Current tax liabilities (net)		3.02	53.31
(b) Provisions	**20**	91,45.21	94,89.45
(c) Other non-financial liabilities	**21**	63,42.12	68,97.06
		154,90.35	**164,39.82**
3 Equity			
(a) Equity share capital	**22A**	979,65.97	608,27.69
(b) Instruments entirely equity in nature	**22B**	1348,00.00	1348,00.00
(c) Other equity		2102,45.97	2843,04.01
		4430,11.94	**4799,31.70**
Total liabilities and equity		**30341,93.13**	**34294,08.31**

See accompanying notes forming part of financial statements (1 to 53)

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, 2023

Place: Mumbai
Date: April 28, 2023

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

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary
Membership No:-A7911

Place: Mumbai
Date: April 28, 2023

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Statement of Profit and Loss for the year ended March 31, 2023

(₹ in lakhs)

	Particulars	Notes	For the year ended March 31 2023	For the year ended March 31 2022
I	**Revenue from operations**			
	(a) Interest income	**23**	3099,59.52	3197,20.10
	(b) Dividend income		3,77.37	1,94.36
	(c) Rental income		49,58.85	60,59.66
	(d) Net gain on fair value changes	**24**	106,59.33	115,85.12
	(e) Net gain on derecognition of financial instruments		123,74.18	209,67.84
	(f) Other fees and service charges		172,79.65	177,36.46
	Total Revenue from operations		**3556,08.90**	**3762,63.54**
II	**Other income**	**25**	**112,14.94**	**90,01.38**
III	**Total income (I + II)**		**3668,23.84**	**3852,64.92**
IV	**Expenses**			
	(a) Finance cost	**26**	2047,16.66	2064,49.21
	(b) Impairment of financial instruments and other assets	**27**	1688,52.46	1111,33.94
	(c) Employee benefits expenses	**28**	303,91.81	261,10.77
	(d) Depreciation, amortization and impairment	**12A & 12B**	56,79.28	57,70.46
	(e) Other expenses	**29**	610,58.32	454,90.83
	Total expenses		**4706,98.53**	**3949,55.21**
V	**Profit/(Loss) before exceptional items and tax (III - IV)**		**(1038,74.69)**	**(96,90.29)**
VI	**Exceptional items**		**-**	**-**
VII	**Profit/(Loss) before tax (V - VI)**		**(1038,74.69)**	**(96,90.29)**
VIII	**Tax expense / (income)**			
	(a) Current tax		(2.45)	-
	(b) Deferred tax		(5,53.17)	(70,16.29)
	Total tax expense		**(5,55.62)**	**(70,16.29)**
IX	**Profit/(Loss) for the year from continuing operations (VII - VIII)**		**(1033,19.07)**	**(26,74.00)**
X	**Profit/(Loss) for the year**		**(1033,19.07)**	**(26,74.00)**
XI	**Other comprehensive income**			
	A i. Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		5,23.17	1,94.24
	(a) Equity Instruments through Other Comprehensive Income		(3,73.87)	21,17.08
	ii. Income tax relating to items that will not be reclassified to profit or loss		94.59	(5,32.83)
	Subtotal (A)		**2,43.89**	**17,78.49**
	B i. Items that will be reclassified to profit or loss			
	(a) Net Gains/(losses) on cash flow hedges		28,52.11	36,51.74
	(b) Debt Instruments through Other Comprehensive Income		(83,89.12)	88,80.24
	ii. Income tax relating to items that will be reclassified to profit or loss		21,11.37	(22,34.98)
	Subtotal (B)		**(34,25.64)**	**102,97.00**
	Other Comprehensive Income (A + B)		**(31,81.75)**	**120,75.49**
XII	**Total comprehensive income for the year**		**(1065,00.82)**	**94,01.49**
XIII	**Earnings per share of ₹ 100 each**	**30**		
	Basic (in ₹)		(131.20)	(14.84)
	Diluted (in ₹)		(131.20)	(14.84)

See accompanying notes forming part of financial statements (1 to 53)

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

Tirtharaj Khot
Partner
Membership No. 037457

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

Atul Shah
Partner
Membership No. 039569
Date: April 28, 2023

For and on behalf of the Board of Directors

P. S. Jayakumar
Director
(DIN - 01173236)

P.B. Balaji
Director
(DIN - 02762983)

Place: Mumbai
Date: April 28, 2023

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

Ridhi Gangar
Chief Financial Officer

Vinay Lavannis
Company Secretary
Membership No:-A7911

Place: Mumbai
Date: April 28, 2023

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Cash flow statement for the year ended March 31, 2023

(₹ in lakhs)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) before tax	**(1038,74.69)**	**(96,90.29)**
Adjustments for:		
Interest income on loans, deposits & investments	(3099,59.52)	(3197,20.10)
Finance costs (other than Interest expense on lease liability)	2040,71.81	2059,41.48
Interest expense on lease liability	6,44.85	5,07.72
Dividend income	(3,77.37)	(1,94.36)
Gain on sale of investments	(105,75.47)	(64,71.15)
MTM on investments measured at fair value through profit or loss	(5,22.12)	(55,20.00)
Allowance for loan losses and write-off loans	1701,23.24	1089,27.24
Allowance for doubtful loans and advances (others) (net of write-off)	(12,70.78)	22,06.71
Depreciation and amortization	56,79.28	57,70.46
(profit)/Loss on sale of property, plant and equipments	22.46	2,98.10
Balances written back	(8,71.83)	(4,50.58)
Fair value changes on derivative instruments	10,09.69	6,23.29
Loss on asset held for sale	76,60.93	-
Operating cash flow before working capital changes	**(382,39.52)**	**(177,71.48)**
Movements in working capital		
Trade payables	43,45.85	(47,62.71)
Other payables	(19,97.48)	76,67.18
Other financial liabilities	3,08.17	4,26.46
Other non financial liabilities	(5,54.94)	(6,91.13)
Trade receivables	15,70.23	22,25.07
Other receivables	2,89.28	(24.38)
Other financial assets	(113,30.36)	(195,75.67)
Provisions	1,78.93	1,77.61
Loans	2625,80.44	919,96.72
Non financial assets	(16,93.04)	9,96.26
Assets held for sale	179,25.88	(426,50.37)
	2333,83.44	**180,13.56**
Current taxes refund/(paid) (net)	-	-
Finance costs paid	(1723,15.93)	(2154,28.43)
Interest income received on loans, investments & deposits	3112,55.18	3131,61.92
Income taxes paid (net)	(48,61.82)	(47,26.39)
Net cash generated/(used in) from operating activities	**3674,60.87**	**1110,20.66**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and intangible assets	(36,99.92)	(20,17.92)
Proceeds from sale of property, plant and equipments	13,11.75	22,18.42
Purchase of mutual fund units	(87652,61.74)	(81204,93.98)
Redemption of mutual fund units	87551,38.24	81269,65.12
Investment in Government Securities	(461,72.65)	(931,19.26)
Distribution from SBI trust securities	16.54	2,58.66
Investment in Treasury bills	(1508,06.07)	-
Redemption of Treasury bills	2005,00.00	-
Dividend income	3,77.37	1,94.36
Deposits/restricted deposits with banks	(45,46.21)	(354,16.51)
Realisation of deposits/restricted deposits with banks	418,26.87	907,64.37
Net cash generated/(used in) from investing activities	**286,84.18**	**(306,46.74)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in cash credit (net)	73,62.79	-
Proceeds from debt securities	5845,60.60	8657,07.45
Repayment of debt securities	(7980,00.00)	(8852,38.99)
Repayment of subordinated liabilities	(190,40.00)	(154,45.00)
Proceeds from borrowings (other than debt securities)	14493,74.65	17064,35.87
Repayment of borrowings (other than debt securities)	(16024,84.72)	(19494,17.10)
Interest payment on lease liability	(6,44.85)	(5,07.72)
Principal payment of lease liability	(12,56.61)	(10,20.30)
Proceeds from issue of Instruments entirely equity in nature (net of issue expenses)	-	377,66.39
Distributions made to holders of Instruments entirely equity in nature	(132,48.25)	(98,38.50)
Premium on issue of equity shares	563,68.67	-
Equity share Issue	136,67.78	-
Dividend paid (including Dividend distribution tax)	-	(55,30.08)
Net cash generate/(used in) from financing activities	**(3233,39.94)**	**(2570,87.98)**
Net increase in/(decrease in) cash and cash equivalents (A + B + C) (refer note below)	**728,05.11**	**(1767,14.06)**

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Cash flow statement for the year ended March 31, 2023

(₹ in lakhs)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
Cash and cash equivalents at the beginning of the year	2498,96.81	4266,10.87
Cash and cash equivalents at the end of the year (Refer Note 5)	3227,01.92	2498,96.81
See accompanying notes forming part of financial statements (1 to 53)		

Note:

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

As per our report of even date attached

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

Tirtharaj Khot
Partner
Membership No. 037457

Place: Mumbai
Date: April 28, 2023

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

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Date: April 28, 2023

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 Officer

Vinay Lavannis
Company Secretary
Membership No:-A7911

Place: Mumbai
Date: April 28, 2023

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Statement of changes in equity for the year ended March 31, 2023

A. Equity share capital

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹	Number	₹
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 errors	-	-	-	-
Restated balance at the beginning of the year	60,827,689	60,827.69	60,827,689	60,827.69
Equity Shares Issued on conversion of CCPS during the year	23,470,506	234,70.51	-	-
Equity Shares Issued during the year	13,667,774	136,67.77	-	-
Shares outstanding at the end of the year	**97,965,969**	**97,965.97**	**60,827,689**	**60,827.69**

B. Instruments entirely equity in nature

(₹ in lakhs)

(i) Perpetual Debt	As at March 31, 2023		As at March 31, 2022	
	Number	₹	Number	₹
Balance as at beginning of the year	13,480	1348,00.00	9,630	963,00.00
Issued during the year	-	-	3,850	385,00.00
Balance as at end of the year	**13,480**	**1348,00.00**	**13,480**	**1348,00.00**

C. Other equity

(₹ in lakhs)

Particulars	Equity component of compound financial instrument (Refer Note 22C)	Reserve and Surplus							Other components of equity				Total other equity
		Special reserve*	Capital redemption reserve	Securities Premium Account	Capital Reserve	General reserve	Retained earnings		Equity instruments through OCI	Debt instruments through OCI	Cost of Hedging Reserve	Hedging Reserve	
							Undistributable (Ind AS 101)	Distributable					
Balance as at April 1, 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
a) Profit for the year	-	-	-	-	-	-	-	(1033,19.07)	-	-	-	-	(1033,19.07)
b) Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	5,23.17	(2,79.28)	(62,77.75)	(1,78.87)	30,30.98	(31,81.75)
c) Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1027,95.90)**	**(2,79.28)**	**(62,77.75)**	**(1,78.87)**	**30,30.98**	**(1065,00.82)**
d) Dividend	-	-	-	-	-	-	-	**-**	-	-	-	-	-
e) Distributions made to holders of Instruments entirely equity in nature	-	-	-	-	-	-	-	(132,48.25)	-	-	-	-	(132,48.25)
f) Premium on issue of equity shares	-	-	-	563,68.67	-	-	-	-	-	-	-	-	563,68.67
g) Conversion of CCPS to equity	(47,111.44)	-	-	364,33.80	-	-	-	-	-	-	-	-	(106,77.64)
Balance as at March 31, 2023	**-**	**236,66.74**	**0.02**	**4064,42.85**	**190,82.18**	**17,85.59**	**(1761,69.60)**	**(983,62.53)**	**62,81.87**	**260,45.35**	**(6,35.90)**	**21,09.40**	**2102,45.97**

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Statement of changes in equity for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Equity component of compound financial instrument (Refer Note 22C)	Reserve and Surplus							Other components of equity				Total other equity
		Special reserve*	Capital redemption reserve	Securities Premium Account	Capital Reserve	General reserve	Retained earnings		Equity instruments through OCI	Debt instruments through OCI	Cost of Hedging Reserve	Hedging Reserve	
							Undistributable (Ind AS 101)	Distributable					
Balance as at April 1, 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 / (loss) 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**

*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 financial statements (1 to 53)

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

Place : Mumbai
Date: April 28, 2023

Atul Shah
Partner
Membership No. 039569
Date: April 28, 2023

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 Officer

Vinay Lavannis
Company Secretary
Membership No:-A7911

Place: Mumbai
Date: April 28, 2023

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, 2023.

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 35- 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 & 36F- Measurement of provisions and contingencies.

g) Note 3(xvii) and 37- Fair value measurement of financial instruments.

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

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

(ii) Revenue recognition

Revenue from Operations

(a) Income on loans arising from financing activities

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

The EIR in case of a financial asset is computed

- the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- by considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees/service charges and incentives paid and received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

Income from direct assignment

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

(v) Cash and Cash equivalents

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

(vi) 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

Property, plant and equipment (PPE) 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 ₹ 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

For provident fund and superannuation fund, the company does not carry any further obligations, apart from the contributions made. Payments/contributions to the Company's defined contribution plans are accounted for on an accrual basis (i.e. when employees have rendered the service entitling them to the contribution) and are recognised as an expense in the Statement of Profit and Loss.

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 holding company and is charged to the Statement of Profit and Loss on accrual basis.

(a) Provident fund

The employees are entitled to receive benefits under provident fund, where both, the employees and the Company, make monthly contributions at a specified percentage of the covered employees' basic salary. The contribution is paid to the Regional Provident Fund office. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the year in which employee renders the related services.

(a) 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, 2023 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 outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in 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. These loans are measured as the present value of all future cash receipts discounted using the prevailing market rate of interest (i.e. Interest rate at which loans are assigned during the relevant quarter). Fair value movements are recognised in the other Comprehensive Income (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 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. Pursuant to RBI Circular RBI/2021-22/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021, on ´Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications and Subsequent clarification issued on February 15, 2022, effective October 1, 2022, Stage 3 borrowers are upgraded when all outstanding dues are fully repaid.

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.

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

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.

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 Gross Domestic Product (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) Financial liabilities and equity instruments

Classification as debt or equity

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

(I) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

(a) At FVTPL:

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

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

(b) At amortised cost:

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

Financial guarantee contracts:

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

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

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

Derecognition of financial liabilities:

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

Modification/Renegotiation that do not result in derecognition

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

(II) Equity Instrument

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

(III) Compound financial Instrument

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

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

The conversion option classified as equity is determined by deducting the amount of liability component from the fair value of the compound financial instruments as a whole. This is recognised and included in equity, net of tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible instrument using effective interest rate method.

(xvi) Derivatives and Hedging activities

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

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

Embedded derivatives

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

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

(a) Hedge accounting

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

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

Cash flow hedges

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

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

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

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

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

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

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

(xvii) Fair value measurement

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

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

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

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

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

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

(xviii) Offsetting financial instruments

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

4 Recent Accounting Pronouncement

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

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

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

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

5. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Cash on hand	6,43.23	10,00.29
(b) Balance with Banks	184,06.61	710,05.79
(c) Cheques, drafts on hand	12,52.08	23,34.61
(d) Bank deposit with original maturity of less than 3 months	3024,00.00	1755,56.12
Total	**3227,01.92**	**2498,96.81**

6. Bank balance other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Deposits with banks	8,23.14	70,29.86
(b) Earmarked balances with banks (Refer note 1)	36.35	31.90
(c) Margin money / cash collateral with banks (Refer note 2)	52,82.42	363,60.80
Total	**61,41.91**	**434,22.56**

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.

7. Trade receivables

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Receivables considered good - Unsecured	32,40.71	48,10.94
Less: Impairment loss allowance	(2,43.70)	(18,03.76)
Total	**29,97.01**	**30,07.18**

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, 2023 is given below-

(₹ in lakhs)

Particulars	Not due	Unbilled	Up to 3 months	3 to 6 months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	13,56.97	-	8,99.72	4,06.62	1,91.52	1,20.77	15.39	-	**29,90.99**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	21.07	-	-	-	-	-	**21.07**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	17.40	-		-			-	-	**17.40**
(v) Disputed Trade Receivables – which have significant increase in	-	-	78.31	-	-	-	-	-	**78.31**
(vi) Disputed Trade Receivables – credit	-	-	-	85.23	42.03	5.68	-	-	**1,32.94**
Total	**13,74.37**	**-**	**9,99.10**	**4,91.85**	**2,33.55**	**1,26.45**	**15.39**	**-**	**32,40.71**

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

(₹ in lakhs)

Particulars	Not due	Unbilled	Up to 3 months	3 to 6 months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	12,55.83	-	1,83.83	7,96.74	5,35.60	1,02.17	1,45.10	0.76	**30,20.03**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	1,69.55		-	-	-	-	**1,69.55**
(iii) Undisputed Trade Receivables – credit impaired							-	-	-
(iv) Disputed Trade Receivables–considered good	9.83	-		-	-	-	-	-	**9.83**
(v) Disputed Trade Receivables – which have significant increase in credit risk		2,88.84			-	-		-	**2,88.84**
(vi) Disputed Trade Receivables – credit impaired				2,57.38	5,25.55	3,71.27	1,68.49	-	**13,22.69**
Total	**1,265.66**	**288.84**	**353.38**	**10,54.12**	**10,61.15**	**4,73.44**	**3,13.59**	**0.76**	**48,10.94**

8. Other receivables

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
Other Receivables considered good - Unsecured	2,37.54	5,26.82
Total	**2,37.54**	**5,26.82**

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.

9. Loans

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(A) At amortised cost		
From financing activities		
(a) Term loans	11916,56.80	16319,51.84
(b) Finance Lease receivables	81,54.50	73,94.54
(c) Credit substitutes (refer note 1)	363,47.99	831,92.92
(d) Channel financing	88,94.22	104,33.69
Total (A) - Gross	**12450,53.51**	**17329,72.99**
Less: Impairment loss allowance	(1434,62.22)	(1482,86.83)
Total (A) - Net	**11015,91.29**	**15846,86.16**
(B) At fair value through Other comprehensive income (FVOCI)		
From financing activities		
(a) Term loans	13055,00.24	12492,10.82
Less: Impairment loss allowance	(314,58.31)	(135,18.32)
Total (B) - Net	**12740,41.93**	**12356,92.50**
(C)		
(a) Secured by tangible assets (refer note 2 and 3 below)	24405,16.61	27444,10.58
(b) Covered by government guarantees (refer note 4 below)	737,06.23	1588,52.84
(c) Unsecured	363,30.91	789,20.38
Total (C) - Gross	**25505,53.75**	**29821,83.80**
Less: Impairment loss allowance	(1749,20.53)	(1618,05.14)
Total (C) - Net	**23756,33.22**	**28203,78.66**
(D)		
Loans in India		
(a) Public Sector	-	-
(b) Others	25505,53.75	29821,83.80
Total (D) - Gross	**25505,53.75**	**29821,83.80**
Less: Impairment loss allowance	(1749,20.53)	(1618,05.14)
Total (D) - Net	**23756,33.22**	**28203,78.66**

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 Fully backed by guarantee of Central Government of India under the emergency credit Line guarantee scheme (ECLGS).

10. Investments

(₹ in lakhs)

Particulars	As at March 31 2023					As at March 31 2022				
		At fair value					At fair value			
	Amortised cost	Through other comprehensive income	Through profit or loss	Sub total	Total	Amortised cost	Through other comprehensive income	Through profit or loss	Sub total	Total
	(1)	(2)	(3)	(4=2+3)	(5=1+4)	(6)	(7)	(8)	(9=7+8)	(10=6+9)
Category of investments										
i. Mutual funds	-	-	207,12.67	207,12.67	207,12.67	-	-	-	-	-
(a) Government securities	906,91.46	-	9,49.10	9,49.10	916,40.56	931,19.26	-	-	-	931,19.26
(b) Equity instruments	-	129,96.52	180,48.28	310,44.80	310,44.80	-	133,70.39	175,11.24	308,81.63	308,81.63
(c) Preference Shares	1,90.00	-	-	-	1,90.00	1,90.00	-	-	-	1,90.00
(d) Trust Securities	-	-	4,89.34	4,89.34	4,89.34	-	-	5,39.62	5,39.62	5,39.62
Total (A) - Gross	**908,81.46**	**129,96.52**	**401,99.39**	**531,95.91**	**1440,77.37**	**933,09.26**	**133,70.39**	**180,50.86**	**314,21.25**	**1247,30.51**
(a) Investments outside India	-	-	-	-	-	-	-	-	-	-
(b) Investments in India	908,81.46	129,96.52	401,99.39	531,95.91	1440,77.37	933,09.26	133,70.39	180,50.86	314,21.25	1247,30.51
Total (B)	**908,81.46**	**129,96.52**	**401,99.39**	**531,95.91**	**1440,77.37**	**933,09.26**	**133,70.39**	**180,50.86**	**314,21.25**	**1247,30.51**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-	-	-	-
Total (D) = (A - C)	**908,81.46**	**129,96.52**	**401,99.39**	**531,95.91**	**1440,77.37**	**933,09.26**	**133,70.39**	**180,50.86**	**314,21.25**	**1247,30.51**

* Includes amount of ₹ 20,50.00 lakhs pertaining to certain unquoted equity instruments for which cost was considered as an appropriate estimate of fair value in the previous year 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 the financial statements for the year ended March 31, 2023

Annexure to Note 10

(₹ in lakhs)

Face Value per unit (in Rs)	Description	Quantity (in nos.) as at March 31, 2023	As at March 31, 2023	Quantity (in nos.) as at March 31, 2022	As at March 31, 2022
	Investments measured at fair value through other comprehensive income				
	Investment in equity shares				
	(a) Quoted				
1	i. Tata Steel Limited (face value reduced from Rs. 10 per shareto Re.1 per share)	6,095,110	63,69.39	609,511	79,67.53
10	ii. Tata Chemicals Limited	10,060	97.83	10,060	98.02
1	iii. Tata Power Limited	9,120	17.35	9,120	21.76
1	iv. Tata Consumer Products Limited (pursuant to Scheme of Arrangement, 114 shares were alloted for every 100 shares held in Tata Chemicals Limited)	11,468	81.29	11,468	89.15
10	v. NTPC Limited	156,000	2,73.16	156,000	2,10.60
1	vi. NMDC Limited	20,000	22.31	20,000	32.51
10	vii. NMDC Steel Limited ((pursuant to Scheme of Arrangement,1 shares were alloted for every 1 shares held in NMDC Limited)	20,000	6.21		
10	viii Coal India Limited	11,904	25.43	11,904	21.79
	(b) Unquoted				
10	i. Taj Air Limited	4,200,000	-	4,200,000	-
1,000	ii. Tata International Limited	19,350	41,94.55	19,350	28,79.03
100	iii. Tata Industries Limited	993,753	19,09.00	993,753	20,50.00
	Subtotal (A)		**129,96.52**		**133,70.39**
	Investments measured at fair value through profit and loss				
	Investment in equity shares				
	(a) Quoted				
10	i. Automobile Corporation of Goa Limited	48,315	3,46.85	48,315	4,51.29
	(b) Unquoted				
2	i. Tata Technologies Limited (Note 1)	8,119,920	177,01.43	811,992	170,59.95
10	ii. Tata Hitachi Construction Machinery Company Private Limited	285,714	-	285,714	-
	Investment in trust securities (partly paid)				
10	i. SBI Macquarie Infrastructure Trust	15,000,000	4,89.34	15,000,000	5,39.62
	Investment in government securities (Quoted)				
	i. Government securities bonds		9,49.10		-
	Investments in Mutual fund		207,12.67		-
	Subtotal (B)		**401,99.39**		**180,50.86**
	Investments measured at Amortised cost				
	Investment in Preference shares				
	Fully Paid Non - Cumulative Redeemable Preference shares (Unquoted)				
100	(a) 6% Tata Precision Industries (India) Limited	40,000	40.00	40,000	40.00
	Fully Paid Cumulative Redeemable Preference shares (Unquoted)				
100	(b) 8.50% Tata Precision Industries (India) Limited	150,000	1,50.00	150,000	1,50.00
	Investments in Debentures and Bonds measured at Amortised Cost				
	Fully Paid Secured, Non - Cumulative, Non - Convertible, Redeemable Debentures (quoted)				
12.5	(a) 8.49% NTPC Limited (issued as bonus)	275,752	-		
	Investment in government securities (Quoted)				
	(a) Treasury bills		109,46.31		586,02.76
	(b) Government securities bonds		797,45.15		345,16.50
	Subtotal (C)		**908,81.46**		**933,09.26**
	Total (A + B + C)		**1440,77.37**		**1247,30.51**

Note:- 1. During the financial year ened March 31, 2023 Tata Technologies has reduced face value from Rs. 10 per share to Rs. 2 per share and issued bonus shares @ 1: 1 basis after such reduction in face value.

11. Other financial assets

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Deposits (Net of provision ₹ 52.96 lakhs; March 31, 2022 ₹ 30.01 lakhs)	30,04.56	91,75.27
(b) Interest accrued on deposits	4,51.82	10,84.39
(c) Interest accrued on investments	15,11.71	5,59.65
(d) Others (Net of provision ₹ 26,98.10 lakhs; March 31, 2022 ₹ 24,86.39 lakhs)	746,43.97	573,77.73
Total	**796,12.06**	**681,97.04**

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of the financial statements for the year ended March 31, 2023

12. Income taxes

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

(₹ in lakhs)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	(2.45)	-
Total current tax expense	**(2.45)**	**-**
Deferred tax		
Decrease (increase) in deferred tax assets	(12,50.61)	(98,26.46)
(Decrease) increase in deferred tax liabilities	6,97.43	28,10.17
Total deferred tax expense/(benefit)	(5,53.18)	(70,16.29)
Income Tax expense	**(5,55.63)**	**(70,16.29)**

b) Reconciliation of the income tax expenses and accounting profit

(₹ in lakhs)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
Reconciliation of the income tax expense and the accounting profit multiplied by India's tax rate:		
Profit before taxes	(1038,74.69)	(96,90.29)
Income tax expenses calculated at Statutory tax rate	**(261,43.18)**	**(24,38.85)**
Tax effect of the amount which are not taxable in calculating taxable income :		
- Effect of expenses not deductible for tax computation	77.73	3,32.39
- Utilization of unrecognised and unused tax losses to reduce current tax expense	-	(22,34.84)
- Deferred tax assets not recognised because realization is not probable	255,12.27	-
- Adjustment recognised in relation to the current tax of prior years	(2.45)	
- Others	-	(26,74.99)
Income tax expense/(credit) recognised for the year at effective tax rate	**(555.63)**	**(70,16.29)**

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

c) Deferred tax assets/liabilities (net)

(₹ in lakhs)

Particulars	As at April 01, 2022	Through profit and loss	Through other comprehensive income	As at March 31, 2023
Deferred tax liabilities :				
- Fair Valuation of financial assets measured at FVTOCI and FVTPL	135,98.72	1,31.41	22,05.96	115,24.17
- Income to be taxed on actual receipt basis	46,70.71	5,84.20	-	52,54.91
- Sourcing commission claimed on incurrence basis	28,88.50	(18.18)	-	28,70.32
Total deferred tax liabilities	**211,57.93**	**697.43**	**22,05.96**	**196,49.40**
Deferred tax asset :				
- Property, plant & equipment - Accumulated depreciation	340.89	4,27.74		7,68.63
- Unabsorbed and unused tax losses and unabsorbed depreciation			-	-
- Expenses deductible in future years:				
-Provisions for impairment allowances on financial assets	396,11.03	15,17.28	-	411,28.31
-Compensated absences and retirement benefits allowable on payment basis	4,58.64	(13.37)	-	4,45.27
- Others	(57.77)	(6,81.04)	-	(7,38.81)
Total deferred tax assets	**403,52.79**	**12,50.61**	**-**	**416,03.40**
Net deferred tax asset/(liabilities) excl MAT Credit	**191,94.87**	**5,53.18**	**(22,05.96)**	**219,54.00**
- Minimum alternate tax (MAT) entitlement	-	-	-	-
Deferred tax assets/(liabilities) (net)	**191,94.87**	**5,53.18**	**(22,05.96)**	**219,54.00**

TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)

Notes forming part of the financial statements for the year ended March 31, 2023

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

c) Deferred tax assets/liabilities (net)

(₹ in lakhs)

Particulars	As at April 1, 2021	Through profit and loss	Through other comprehensive income	As at March 31, 2022
Deferred tax liabilities :				
- Fair Valuation of financial assets measured at FVTOCI and FVTPL	94,41.64	13,89.27	27,67.81	135,98.72
- 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	277.89		3,40.89
- 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**	**98,26.46**	**-**	**403,52.79**
Net deferred tax asset/(liabilities) excl MAT Credit	**149,46.38**	**70,16.29**	**(27,67.81)**	**191,94.87**
- Minimum alternate tax (MAT) entitlement	-	-	-	-
Deferred tax assets/(liabilities) (net)	**149,46.38**	**70,16.29**	**(27,67.81)**	**191,94.87**

d) Amounts recognised directly in equity

There was no income or expenses for current year and previous year for which tax impact has been routed through reserve.

e) Tax losses

As at March 31, 2023, unrecognised deferred tax assets amounted to Rs. 92,72.53 lakhs (As at March 31, 2022 - Rs.84,50.19 lakhs) which can be carried forward indefinitely and Rs. 280,12.03 lakhs (As at March 31, 2022 - NIL) which can be carried forward upto a specified period. These relate primarily to depreciation carry forwards and business losses. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

Unrecognised deferred tax assets expire unutilised based on the year of origination as follows:

(₹ in lakhs)

Year	Amount
March 31, 2031	280,12.03
Total	**280,12.03**

12A Property, plant and equipment

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at April 1, 2022	Additions	Deletions	Balance as at March 31, 2023	Balance as at April 1, 2022	Depreciation	Deletions	Balance as at March 31, 2023	Balance as at March 31, 2023
(a) Buildings #	1,44.56	-	-	1,44.56	53.41	5.24	-	58.65	85.91
(b) Right of Use Assets	88,29.73	24,94.70	5,71.44	107,52.99	22,12.20	1,545.78	3,97.69	33,60.29	73,92.70
(c) Furniture and fixtures	8,08.97	1,43.93	2,78.67	6,74.23	4,94.29	1,04.01	2,63.70	3,34.60	3,39.63
(d) Vehicles	5,42.57	2,39.98	2,08.98	5,73.57	2,16.11	1,32.29	1,70.20	1,78.20	3,95.37
(e) Vehicles - given on lease	210,42.55	25,22.58	37,63.01	198,02.12	84,01.92	33,46.38	24,72.05	92,76.25	105,25.87
(f) Office equipments	8,76.10	1,71.29	93.05	9,54.34	5,65.20	1,10.78	87.51	5,88.47	3,65.87
(g) Data processing machines	12,29.09	5,09.99	1,50.78	15,88.30	8,11.76	2,62.92	1,43.04	9,31.64	6,56.66
(h) Leasehold improvement	2,97.59	1,12.14	-	4,09.73	64.21	74.41	-	1,38.62	2,71.11
Total	**337,71.16**	**61,94.61**	**50,65.93**	**348,99.84**	**128,19.10**	**55,81.81**	**35,34.19**	**148,66.72**	**200,33.12**

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

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

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at April 1, 2021	Additions	Deletions	Balance as at March 31, 2022	Balance as at April 1, 2021	Depreciation	Deletions	Balance as at March 31, 2022	Balance as at March 31, 2022
(a) Buildings #	1,44.56	-	-	1,44.56	48.17	5.24	-	53.41	91.18
(b) 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
(c) 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
(d) 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
(e) 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
(f) 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
(g) 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
(h) 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**

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

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

12B. Other intangible assets

(₹ in lakhs)

Particulars	Gross Block				Accumulated Amortisation				Net Block
	Balance as at April 1, 2022	Additions	Deletions	Balance as at March 31, 2023	Balance as at April 1, 2022	Amortisation	Deletions	Balance as at March 31, 2023	Balance as at March 31, 2023
(a) Computer Software	12,64.87	-	-	12,64.87	9,43.26	97.47	-	10,40.73	2,24.14
Total	**12,64.87**	**-**	**-**	**12,64.87**	**9,43.26**	**97.47**	**-**	**10,40.73**	**2,24.14**

Particulars	Gross Block				Accumulated Amortisation				Net Block
	Balance as at April 1, 2021	Additions	Deletions	Balance as at March 31, 2022	Balance as at April 1, 2021	Amortisation	Deletions	Balance as at March 31, 2022	Balance as at March 31, 2022
(a) 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**

13. Other non-financial assets

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Capital Advances	7,28.01	10,90.30
(b) Deposits with statutory authorities	54.20	62.49
(Net of provision ₹ 87.92 lakhs; March 31, 2022 ₹ 87.92 lakhs)		
(c) Deposits paid under protest	11,82.21	11,12.73
(d) Prepaid expenses	46,50.54	33,56.91
(e) Taxes recoverable and dues from government	46,89.94	51,57.76
(Net of provision ₹ 3,03.69 lakhs; March 31, 2022 ₹ 3,03.69 lakhs)		
(f) Stamp papers	7,05.09	6,38.88
(g) Others	12,73.52	2,25.85
(Net of provision ₹ 1,65.75 lakhs; March 31, 2022 ₹ 1,14.82 lakhs)		
Total	**132,83.51**	**116,44.92**

14. Derivative financial instruments - March 31 2023

(₹ in lakhs)

Particulars	Notional Amounts	Fair ValueAssets	Notional Amounts	Fair Value Liabilities
Currency derivatives				
Forward Contracts	-	-	-	-
Forward exchange contracts	-	-	179,63.75	14,86.64
Subtotal		**-**		**14,86.64**
Interest rate derivatives				
Interest rate swaps	179,63.75	11,06.20		-
Subtotal		**11,06.20**		**-**
Other derivatives				
Cross currency interest rate swaps	538,96.25	85,92.87	-	-
Subtotal		**85,92.87**	-	-
Total Derivative Financial Instruments		**96,99.07**		**14,86.64**
Derivative designated as hedge				
Fair value hedging:	-	-	-	-
Interest Rate Derivative	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**
Cash flow hedging:				
Forward exchange contracts	-	-	179,63.75	14,86.64
Cross currency interest rate swaps	53,896.25	85,92.87	-	-
Interest rate swaps	179,63.75	11,06.20	-	-
Subtotal	**718,60.00**	**96,99.07**	**179,63.75**	**14,86.64**
Undesignated Derivatives				
Interest Rate Swaps	-	-	-	-
Subtotal		**-**	**-**	**-**
Total Derivative Financial Instruments		**96,99.07**		**14,86.64**

Refer Note 43 on Financial Risk Management for maturity analysis of Derivative financial liabilities at March 31, 2023.

Derivative financial instruments - March 31 2022

(₹ in lakhs)

Particulars	Notional Amounts	Fair ValueAssets	Notional Amounts	Fair Value Liabilities
Currency derivatives				
Forward Contracts	-	-	-	-
Forward exchange contracts	-	-	179,63.75	19,79.51
Subtotal	**-**	**-**	**17,963.75**	**1,979.51**
Interest rate derivatives				
Interest Rate Swaps	179,63.75	3,06.97		-
Subtotal	**179,63.75**	**3,06.97**	**-**	**-**
Other derivatives				
Cross currency interest rate swaps	1606,10.75	84,57.16	-	-
Subtotal	**1606,10.75**	**84,57.16**	**-**	**-**
Total Derivative Financial Instruments		**87,64.13**		**19,79.51**
Derivative designated as hedge				
Fair value hedging:	-	-	-	-
Interest Rate Derivative	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**
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**

15. Payables

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Trade Payables		
i. total outstanding dues of micro enterprises and small enterprises	10,67.67	8,87.68
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	193,51.93	160,57.90
Total	**204,19.60**	**169,45.58**
(b) Other Payables		
i. total outstanding dues of micro enterprises and small enterprises	-	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	104,34.94	124,32.42
Total	**104,34.94**	**124,32.42**

Note: Information in respect of micro enterprises and small enterprises to whom the Company owes dues (including interest of ₹ Nil), which are due during the period 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 auditor.

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, 2023 as follows :

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
a) Principal amount due	10,67.67	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, 20	-	-
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	-	-
Total	**10,67.67**	**8,87.68**

Ageing of trade payable at March 31, 2023 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	10,66.67	-	1.00				**10,67.67**
(i) Others	160,11.28	16,36.50	13,54.90	1,40.45	55.71	1,53.09	**193,51.93**
(iii) Disputed dues – MSME							**-**
(iv) Disputed dues - Others							**-**
Total	**170,77.95**	**16,36.50**	**13,55.90**	**1,40.45**	**55.71**	**1,53.09**	**204,19.60**

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	26,49.65	55,23.23	53,50.43	18,86.76	2,12.61	4,35.22	**160,57.90**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**26,49.65**	**62,26.43**	**55,34.91**	**18,86.76**	**2,12.61**	**4,35.22**	**169,45.58**

16. Debt securities - At amortised cost

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Privately placed non-convertible debentures		
i. Secured (refer note i)	998,95.45	1774,66.97
ii. Unsecured	1964,07.68	1611,92.39
(b) Commercial paper		
i. Unsecured (net of unamortised discounting charges and borrowing cost of ₹130,92.55 lakhs; March 31, 2022 ₹137,21.93 lakhs)	3256,07.45	4662,78.07
Total (A)	**6219,10.58**	**8049,37.43**
(a) Debt securities in India	6219,10.58	8049,37.43
(b) Debt securities outside India	-	-
Total (B)	**6219,10.58**	**8049,37.43**

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) (₹ in lakhs)

From Balance sheet Date	As at March 31,2023		As at March 31,2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Issued on private placement basis				
Repayable on Maturity:				
Maturing within 1 Year	8.75% to 8.50%	1000,00.00	6.75% to 8.65%	780,00.00
Maturing between 1 year to 3 Years		-	8.50% to 8.75%	1000,00.00
Total Face Value		**1000,00.00**		**1780,00.00**
Less: Unamortised borrowing cost		1,04.55		5,33.03
Total Amortised cost		**998,95.45**		**1774,66.97**

* 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) (₹ in lakhs)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Issued on private placement basis				
Repayable on Maturity:	-	-	-	-
Maturing between 3 Years to 5 Years	8.40% to 8.40%	966,31.64	-	-
Maturing between 1 year to 3 Years	7.15% to 8.85%	1268,73.08	6.30% to 7.31%	1268,73.08
Maturing within 1 Year		-	7.00% to 7.00%	400,00.00
Total Face Value		**2235,04.72**		**1668,73.08**
Less: Unamortised borrowing cost		270,97.04		56,80.69
Total Amortised cost		**1964,07.68**		**1611,92.39**

Details of Commercial Papers (Unsecured) (₹ in lakhs)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on Maturity:				
Maturing within 1 Year	6.70% to 8.60%	3387,00.00	4.15% to 5.50%	4800,00.00
Total Face Value		**3387,00.00**		**4800,00.00**
Less: Unamortised discounting charges		130,92.55		137,21.93
Total Amortised cost		**3256,07.45**		**4662,78.07**

17. Borrowings (Other than debt securities)

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Term loans from banks		
i. Secured (refer note i)	13363,71.29	12617,70.72
ii. Unsecured	1959,69.93	1459,67.60
(b) Inter Corporate Deposits from related parties (unsecured)	300,00.00	150,00.00
(c) Loans repayable on demand from banks		
i. Secured (refer note ii)	1345,00.00	3060,00.00
ii. Unsecured	-	100,00.00
(e) Cash Credit from banks (secured) (refer note ii)	74,98.01	1,35.22
(f) Collateralised Debt Obligation (secured) (refer note iii)	74,87.24	1181,71.75
(g) Liability component of compound financial instruments	-	125,44.08
Total (A)	**17118,26.47**	**18695,89.37**
(a) Borrowings in India	16298,85.76	16807,41.34
(b) Borrowings outside India	819,40.71	1888,48.03
Total (B)	**17118,26.47**	**18695,89.37**

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) External Commercial borrowings 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) 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.

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

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

(v) None of the borrowings have been guaranteed by directors or others.

(vi) Also the Company has not defaulted in repayment of principal and interest.

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Notes forming part of the financial statements for the year ended March 31, 2023

Details of Term Loans from banks (Secured) (₹ in lakhs)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing within 1 Year	8.97%% to 7.80%	237,500.00	6.65% to 7.30%	550,00.00
Maturing between 1 year to 3 Years	8.88% to 7.40%	255,00.00	6.00% to 7.60%	1680,00.00
Maturing between 3 Years to 5 Years				
Total repayable on maturiy (A)		**2630,00.00**		**2230,00.00**
2. Repayable in Installments:				
i. on quarterly basis				
Maturing within 1 Year	8.65% to 8.20%	2471,21.38	6.95% to 8.20%	1945,60.85
Maturing between 1 year to 3 Years	10.00% to 7.71%	3410,67.63	6.95% to 8.20%	3954,64.58
Maturing between 3 Years to 5 Years	8.95% to 7.50%	800,01.07	7.10% to 7.65%	616,02.43
Subtotal (B)		**6681,90.08**		**6516,27.86**
ii. on half yearly basis				
Maturing within 1 Year	8.40% to 7.75%	713,75.00	7.25% to 7.80%	905,65.48
Maturing between 1 year to 3 Years	8.65% to 7.25%	1078,54.17	7.25% to 7.80%	785,62.50
Maturing between 3 Years to 5 Years	7.85% to 7.40%	883,33.33	7.60% to 7.60%	40,00.00
Subtotal (C)		**2675,62.50**		**1731,27.98**
iii. on yearly basis				
Maturing between 3 Years to 5 Years	8.70% to 8.70%	20,000.00	-	-
Maturing within 1 Year	8.80% to 8.70%	166,66.67	7.35% to 8.20%	200,00.00
Maturing between 1 year to 3 Years	8.70% to 8.70%	200,00.00	8.20% to 8.20%	66,66.67
Subtotal (D)		**566,66.67**		**266,66.67**
Total repayable on installments (E = B+C+D)		**9924,19.25**		**8514,22.51**
Total term loans as per contractual terms (F = A+E)		**12554,19.25**		**10744,22.51**
Less: Unamortised borrowing costs		9,88.67		14,99.80
Total Amortised cost		**12544,30.58**		**10729,22.69**

Details of External Commercial Borrowings (USD) (₹ in lakhs)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing between 1 year to 3 Years	8.97% to 10.07%	822,19.37	7.70% to 9.03%	757,28.75
Maturing within 1 Year	-	-	8.11% to 8.88%	1136,26.95
Total repayable on maturity		**822,19.37**		**1893,55.70**
Less: Unamortised borrowing costs		2,78.65		5,07.67
Total Amortised cost		**819,40.72**		**1888,48.03**

Details of Collateralised Debt Obligation (Secured) (₹ in lakhs)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing beyond 5 Years				
Maturing within 1 Year	6.40% to 8.00%	74,87.24	6.40% to 9.20%	850,21.01
Maturing between 1 year to 3 Years			6.40% to 9.20%	332,33.40
Total		**74,87.24**		**1182,54.41**
Less: Unamortised borrowing costs		-		82.66
Total Amortised cost		**74,87.24**		**1181,71.75**

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Notes forming part of the financial statements for the year ended March 31, 2023

Details of Term Loans from banks (Unsecured) (₹ in lakhs)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing between 1 year to 3 Years	8.40% to 8.40%	210,00.00	-	-
Total repayable on maturiy (A)	-	**210,00.00**		**-**
2. Repayable in Installments:				
ii. on quarterly basis				
Maturing between 3 Years to 5 Years	8.60% to 8.60%	62,50.00	7.45% to 7.45%	125,00.00
Maturing between 1 year to 3 Years	8.60% to 8.60%	125,00.00	7.45% to 7.50%	293,00.00
Maturing within 1 Year	8.60% to 8.60%	62,50.00	7.50% to 7.50%	42,00.00
Subtotal (B)		**250,00.00**		**460,00.00**
i. on half yearly basis				
Maturing within 1 Year	7.80% to 7.80%	125,00.00	-	-
Maturing between 1 year to 3 Years	7.80% to 7.80%	375,00.00		
Total repayable in installments (C)		**500,00.00**		**-**
iv. on yearly basis				
Maturing between 1 year to 3 Years	8.10% to 8.10%	500,00.00	6.25% to 6.25%	1000,00.00
Maturing within 1 Year	8.10% to 8.10%	500,00.00	-	-
Subtotal (D)		**1000,00.00**		**1000,00.00**
Total repayable on installments (E = B+C+D)		**1750,00.00**		**1460,00.00**
Total term loans as per contractual terms (F = A+E)		**1960,00.00**		**1460,00.00**
Less: Unamortised borrowing costs		30.07		32.40
Total Amortised cost		**1959,69.93**		**1459,67.60**

Details of Inter corporate deposits (ICDs) (Unsecured)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year	8.39% to 8.39%	300,00.00	5.20% to 5.20%	15,000.00
Total		**300,00.00**		**15,000.00**
Less: Unamortised finance cost		-		-
Total Amortised cost		**300,00.00**		**150,00.00**

Details of Loans repayable on demand from banks (Secured)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year	8.30% to 7.50%	1345,00.00	4.50% to 7.40%	3060,00.00
Total		**1345,00.00**		**3060,00.00**
Less: Unamortised borrowing costs		-		-
Total Amortised cost		**1345,00.00**		**3060,00.00**

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Notes forming part of the financial statements for the year ended March 31, 2023

Details of Loans repayable on demand from banks (unsecured)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year	-	-	6.60% to 6.60%	100,00.00
Total		**-**		**100,00.00**

Details of Cash credit facilities (Secured)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year	7.95% to 7.95%	74,98.01	7.95% to 7.95%	1,35.22
Total		**74,98.01**		**1,35.22**
Less: Unamortised borrowing costs		-		-
Total Amortised cost		**74,98.01**		**1,35.22**

18. Subordinated liabilities (unsecured)

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Perpetual Debt Instruments to the extent that do not qualify as equity (unsecured)	124,81.59	224,35.51
(b) Privately placed subordinated unsecured redeemable, non-convertible debentures	1186,85.64	1276,20.31
Total (A)	**1311,67.23**	**1500,55.82**
(a) Debt securities in India	1311,67.23	1500,55.82
(b) Debt securities outside India	-	-
Total (B)	**1311,67.23**	**1500,55.82**

Details of Subordinated liabilities in the nature of Tier II unsecured redeeemable non-convertible debentures (₹ in lakhs)

From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Issued on private placement basis				
Repayable on Maturity:				
Maturing beyond 5 Years	10.25% to 9.95%	550,00.00	8.35% to 10.25%	800,00.00
Maturing between 3 Years to 5 Years	9.00% to 8.35%	250,00.00	-	-
Maturing between 1 year to 3 Years	10.60% to 9.70%	235,00.00	9.70% to 10.60%	390,10.00
Maturing within 1 Year	10.15% to 9.85%	155,10.00	10.46% to 11.00%	90,40.00
Total Face Value		**1190,10.00**		**1280,50.00**
Less: Unamortised borrowing cost		3,24.36		4,29.69
Total Amortised cost		**1186,85.64**		**1276,20.31**

Details of Subordinated liabilities in the nature of unsecured non-convertible Perpetual Debentures* (₹ in lakhs)

Particulars	Face Value	As at March 31 2023
11.03% TMFL Perpetual "A" FY 2013-14 (Refer note 2)	5 Lakhs	52,70.00
11.33% TMFL Perpetual "B" FY 2013-14 (Refer note 2)	10 Lakhs	22,30.00
11.10% TMFL Perpetual "A" FY 2014-15	10 Lakhs	50,30.00
Total		**125,30.00**
Less : Unamortised Borrowing Cost		48.41
Total Amortised cost		**124,81.59**

Note 1 - 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 2 - The Company has received approval from Reserve Bank of India for exercise of call option for Series 'A' and series 'B' falling due on May 28, 2023 and May 23, 2023 respectively.

19. Other financials liabilities

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Interest accrued on borrowings	213,31.53	275,53.99
(b) Payable for assigned receivables	331,33.97	301,27.52
(c) Deposits	16,05.47	13,02.12
(d) Lease liability for right of use assets	82,49.64	72,09.09
(e) Others	141,24.77	109,03.94
Total	**784,45.38**	**770,96.66**

20. Provisions

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Provision for leave encashment	8,66.05	9,14.82
(b) Provision for grauity	-	4,83.21
(c) Provision for Indirect taxes	68,77.85	66,11.94
(d) Provision for consumer disputes	1,07.93	60.92
(e) Provision for expenses	12,93.38	14,18.56
Total	**91,45.21**	**94,89.45**

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 2023	As at March 31 2022
Opening Balance	66,11.94	66,11.94
Add : Provision during the year	2,65.91	-
Closing Balance	**68,77.85**	**66,11.94**

(b) Provision for consumer disputes

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
Opening Balance	60.92	93.46
Add : Provision during the year	1,07.93	2,56.50
Less : Utilisation/reversal during the year	60.92	2,89.04
Closing Balance	**107.93**	**60.92**

21. Other non-financial liabilities

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
(a) Statutory dues	39,96.87	40,77.26
(b) Others	23,45.25	28,19.80
Total	**63,42.12**	**68,97.06**

22A. Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31 2023 Number	As at March 31 2023 ₹	As at March 31 2022 Number	As at March 31 2022 ₹
Authorised				
Equity Shares of ₹ 100 each with voting rights	120,000,000	1200,00.00	120,000,000	1200,00.00
	120,000,000	**120,000.00**	**120,000,000**	**120,000.00**
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 100 each	97,965,969	979,65.97	60,827,689	608,27.69
Total	**97,965,969**	**979,65.97**	**60,827,689**	**608,27.69**

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

(₹ in lakhs)

Particulars	As at March 31 2023 Number	As at March 31 2023 ₹	As at March 31 2022 Number	As at March 31 2022 ₹
Shares outstanding at the beginning of the year	60,827,689	608,27.69	60,827,689	608,27.69
Equity Shares Issued on conversion of CCPS during the year (Refer Note 1 below)	23,470,506	234,70.51	-	-
Equity Shares Issued during the year (Refer Note 2 below)	13,667,774	136,67.77	-	-
Shares outstanding at the end of the year	**97,965,969**	**979,65.97**	**60,827,689**	**608,27.69**

Note 1:- During year ended March 31, 2023, the Company has done early conversion the outstanding Compulsorily convertible preference share (CCPS) at pre-determined conversion ratio. On conversion of CCPS, the Company has issued 23,470,506 equity shares of face value of Rs. 100 each against 723,00,000 nos. of CCPS of face value of Rs. 100 each.

Note 2:- During the year ended March 31, 2023, the Company has issued equity shares of face value of Rs. 100 each to it's holding company as follows -
(a) 6,674,767 equity shares at a price of Rs. 450 per equity share in Q2 - FY23.
(b) 6,993,007 equity shares at a price of Rs. 572 per equity share in Q4 - FY23.

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

Particulars	As at March 31 2023 Number	As at March 31 2023 % of Issued Share Capital	As at March 31 2022 Number	As at March 31 2022 % of Issued Share Capital
A. Equity shares with voting rights				
Holding Company				
TMF Holdings Limited	96,143,953	98.00	59,005,673	97.00
Subsidiaries of holding company				
Tata Motors Finance Solutions Limited	1,822,016	2.00	1,822,016	3.00

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

Particulars	As at March 31 2023 No. of shares	As at March 31 2023 % of Issued Share Capital	As at March 31 2022 No. of shares	As at March 31 2022 % of Issued Share Capital
Equity Share with voting rights				
TMF Holdings Limited	96,143,953	98.00	59,005,673	97.00

d) Details of shares held by Promoters

Promoter name	As at March 31 2023 No. of shares	As at March 31 2023 % of Issued Share Capital	As at March 31 2022 No. of shares	As at March 31 2022 % of Issued Share Capital
TMF Holdings Limited	96,143,953	98.00	59,005,673	97.00
Tata Motors Finance Solutions Limited	1,822,016	2.00	1,822,016	3.00

% change in Promototers shareholding during the year is as below

Promoter name	As at March 31 2023	As at March 31 2022
TMF Holdings Limited	1.00	-
Tata Motors Finance Solutions Limited	(1.00)	-

e) 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.

f) 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.

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

The Company has not declared dividends at the end of the reporting year (March 31, 2022 – Nil).

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Notes forming part of the financial statements for the year ended March 31, 2023

22B Instruments entirely equity in nature

(i) Perpetual Debt

(₹ in lakhs)

Particulars	As at March 31 2023		As at March 31 2022	
	Number	₹	Number	₹
Balance as at beginning of the year	13,480.00	1348,00.00	9,630.00	963,00.00
Increase during the year	-	-	3,850.00	385,00.00
Balance as at end of the year	**13,480.00**	**1348,00.00**	**13,480.00**	**1348,00.00**

The Company has issued 13,480 subordinated, listed, unsecured, rated perpetual securities of face value of ₹ 10 lakhs each aggregating to ₹ 1348,00.00 lakhs.The coupon on these securities ranges between 8.35% p.a. to 11.50% p.a. These securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. There is a step up provision of 100 bps over the respective coupon rate if the securities are not called by the issuer at the end of 10 years from the date of allotment.The payment of any Coupon may be cancelled or suspended at the discretion of the Board of Director.

a)The Coupon on the these securities shall not be liable to pay Coupon and shall be entitled to 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 Company's CRAR falling below or remaining below the minimum regulatory requirement prescribed by Reserve Bank of India;

b) In the event that making of any Coupon payment by the Issuer may result in net loss or increase the net loss of the Issuer, the making of such of Coupon payment by the Issuer shall be subject to the prior approval of the RBI and shall be made on receipt of such approval provided that the CRAR remains above the regulatory norm after the making of such payment.

c) The Coupon on the Debentures shall not be cumulative except in cases as in (a) above.

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

22C Equity Component of Compound Financial Instrument

(₹ in lakhs)

Particulars	As at March 31 2023		As at March 31 2022	
	Number	₹	Number	₹
Authorised				
Preference shares of ₹ 100 each	80,000,000	800,00.00	80,000,000	800,00.00
		80,000.00		**80,000.00**
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
Equity portion of non-cumulative, non-participating Compulsorily convertible preference share (CCPS) of ₹ 100 each	-	-	18,500,000	185,00.00
Total	**-**	**-**	**72,300,000**	**47,111.44**

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

(₹ in lakhs)

Particulars	As at March 31 2023		As at March 31 2022	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	72,300,000	471,11.44	72,300,000	471,11.44
Shares converted during the year into equity (Refer point (e) below)	(72,300,000)	(471,11.44)		
Shares outstanding at the end of the year	**-**	**-**	**72,300,000**	**47,111.44**

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

Particulars	As at March 31 2023		As at March 31 2022	
	Number	%of total shares	Number	%of total shares
TMF Holdings Limited	-	-	72,300,000	100.00

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

Particulars	As at March 31 2023		As at March 31 2022	
	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

d) Details of shares held by Promoters

Particulars	As at March 31 2023		As at March 31 2022	
	No. of Shares	%of total shares	No. of Shares	%of total shares
TMF Holdings Limited	-	-	72,300,000	100

e) Terms / rights attached to preference shares:

The Company has cumulative, non-participating compulsorily convertible preference shares (CCPS) having a face value of ₹ 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 were mandatorily convertible into equity shares on the date falling at the expiry of 7 years from the CCPS allotment date.

However, on June 29, 2022, the Company has early converted the outstanding Compulsorily convertible preference share (CCPS) at pre-determined conversion ratio. On conversion of CCPS, the Company has issued 23,470,506 equity shares of face value of ₹ 100 each against 723,00,000 no. of CCPS of face value of ₹ 100 each.

f) 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.

Note 22D

(I) Other components of equity

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	**65,61.15**	**49,76.90**
Other comprehensive income for the year	(3,73.87)	21,17.08
Income tax relating to gain/loss arising on other comprehensive income where applicable	94.59	**(532.83)**
Profit on sale of equity investment reclassified to retained earnings	-	-
Balance at the end of the year	**62,81.87**	**65,61.15**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	**(9,21.58)**	**(51,06.36)**
Gain/(loss) recognised on cash flow hedges		(1,39.90)
Gain/(loss) reclassified to profit or loss	30,30.98	43,24.68
Balance at the end of the year	**21,09.40**	**(9,21.58)**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	**(457.03)**	**76.01**
Gain/(loss) recognised on cash flow hedges - Gain/(Loss)	(11,88.56)	(19,92.36)
Gain/(loss) reclassified to profit or loss	10,09.69	14,59.32
Balance at the end of the year	**(6,35.90)**	**(457.03)**

(4) The movement of Debt instruments through other comprehensive income is given in note no. 37 'Fair Value measurement'

(5) Summary of Other components of equity :- (₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Equity instruments through other comprehensive income	62,81.87	65,61.15
Hedging Reserve	21,09.40	(9,21.58)
Cost of hedging reserve	(6,35.90)	(457.03)
Debt instruments through other comprehensive income	260,45.35	323,23.10
Total	**338,00.72**	**375,05.64**

(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.

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in lakhs)

23. Interest income	For the year ended March 31 2023	For the year ended March 31 2022
On financial assets measured at amortised Cost		
(a) Interest on loans	1873,89.92	2301,07.64
(b) Interest income from investments	52,54.51	12,45.95
(c) Interest on deposits with banks	51,11.76	68,93.35
(d) Other interest income	9,63.29	2.86
On financial assets measured at FVOCI		
(a) Interest on loans-FVOCI	1112,40.04	814,70.30
Total	**3099,59.52**	**3197,20.10**

(₹ in lakhs)

24. Net gain on fair value changes	For the year ended March 31 2023	For the year ended March 31 2022
Net gain on financial instruments at fair value through profit or loss	106,59.33	115,85.12
Total	**106,59.33**	**115,85.12**
Fair Value changes:		
(a) Realised	101,37.21	60,65.12
(b) Unrealised	5,22.12	55,20.00
Total	**106,59.33**	**115,85.12**

(₹ in lakhs)

25. Other Income	For the year ended March 31 2023	For the year ended March 31 2022
(a) Support services income	100,39.57	84,62.84
(b) Balances written back	8,71.83	4,50.58
(C) Miscellaneous income	3,03.54	87.96
Total	**112,14.94**	**90,01.38**

(₹ in lakhs)

26. Finance Costs	For the year ended March 31 2023	For the year ended March 31 2022
(a) Interest on borrowings	1362,47.55	1387,74.19
(b) Interest on debt securities	540,14.82	507,80.64
(c) Interest on subordinated liabilities	137,75.02	163,09.77
(d) Interest expense on lease liability	6,44.85	5,07.72
(e) Other finance charges	34.42	76.89
Total	**2047,16.66**	**2064,49.21**

(₹ in lakhs)

27. Impairment on financial instruments and other assets	For the year ended March 31 2023	For the year ended March 31 2022
Loans measured amortised cost		
(a) Allowance for loan losses	(106,36.89)	316,77.95
(b) Loans written off (net of recoveries of ₹ 143,65.68 lakhs for the year ended March 31, 2023; ₹ 59,47.71 lakhs for year ended March 31, 2022)	1628,20.14	708,86.76
Loans measured fair value through other comprehensive income		
(a) Allowance for loan losses-FVOCI	179,39.99	63,62.52
Other assets		
(a) Allowance for doubtful assets	(12,74.47)	22,06.71
(b) Balances written off	3.69	-
Total	**1688,52.46**	**1111,33.94**

(₹ in lakhs)

28. Employee benefits expenses	For the year ended March 31 2023	For the year ended March 31 2022
(a) Salaries	270,96.39	229,82.35
(b) Contribution to provident and other funds	16,06.75	15,86.75
(c) Staff welfare expenses	16,88.67	15,41.67
Total	**303,91.81**	**261,10.77**

(₹ in lakhs)

29. Other expenses	For the year ended March 31 2023	For the year ended March 31 2022
(a) Rent, taxes and energy costs	13,37.61	13,78.99
(b) Repairs and maintenance	3,72.23	3,73.03
(c) CSR expense (refer Note (ii) below)	60.10	2,61.90
(d) Communication Costs	5,59.75	5,07.60
(e) Printing and stationery	2,19.60	1,66.37
(f) Advertisement and publicity	6,37.03	1,82.43
(g) Director's fees, allowances and expenses	60.30	1,74.50
(h) Auditor's fees and expenses (refer Note (i) below)	1,02.17	2,11.78
(i) Legal and professional charges	52,98.91	46,97.87
(j) Insurance	55,28.82	37,90.45
(k) Commission	66,58.87	62,21.06
(l) Service provider fees	222,53.78	180,45.84
(m) Net loss on derecognition of property, plant and equipment	22.46	2,98.10
(n) Travelling and Conveyance	11,99.92	5,98.55
(o) Cenvat credit reversal	49,41.74	42,65.97
(p) Loss on sale of asset held for sale	7,660.93	-
(q) Others expenses	41,44.10	43,16.39
Total	**610,58.32**	**454,90.83**

(₹ in lakhs)

(i) Auditors' remuneration (excluding taxes):	For the year ended March 31 2023	For the year ended March 31 2022
(a) As auditors - statutory audit	74.53	1,87.02
(b) Tax audit	10.00	6.92
(c) For other services	15.25	12.05
(d) Reimbursement of out of pocket expenses	2.39	5.79
Total	**1,02.17**	**2,11.78**

(ii) Corporate social responsibility

(₹ in lakhs)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
Amount required to be spent by the company during the year	26.91	3,19.79
Amount of expenditure incurred	1,79.83	2,00.06
Excess/(Shortfall) at the end of the year	33.19	(1,19.73)
Total of previous years excess/(shortfall)	(1,19.73)	-

Nature of CSR activities

During FY2023, the Company conducted financial literacy & road safety to driver community (Project Akanksha), Mobile vision screening camps for the driver community (Project Suraksha) and program consisting of scholarship provided to 25 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		
Particulars		
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	-	-

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 2023**	**For the year ended March 31 2022**
Basic		
Weighted average no. of equity shares outstanding	88,843,865	84,298,195
Net profit /(Loss) attributable to equity share holders (Refer Note 1)	(1165,67.32)	(125,12.50)
Basic earnings per share (₹)	(1,31.20)	(14.84)
Diluted		
Weighted average no. of equity shares outstanding	88,843,865	84,298,195
Net profit/(Loss) attributable to equity share holders (Refer Note 1)	(1165,67.32)	(125,12.50)
Diluted earnings per share (₹)	(1,31.20)	(14.84)
Face value per share (₹)	100	100
Note 1 - Calculation of net profit attributable to equity share holders		
Profit after tax as per statement of profit and loss	(1033,19.07)	(26,74.00)
Less - Distribution made to holders of perpetual instruments	(132,48.25)	(98,38.50)
Net profit/ (Loss) attributable to equity share holders	**(1165,67.32)**	**(125,12.50)**

31. The Board of Directors has, at its meeting held on October 3, 2022, approved a Scheme of Arrangement ("the Scheme") under Section 230 to Section 232 read with Section 66 of the Act, as amended between the Company and Tata Motors Finance Solutions Limited (its fellow subsidiary) and their respective shareholders for:

a. Demerger of the Non-Banking Finance related business ("NBFC Undertaking") of the Company through the Scheme, to be filed before the Hon'ble National Company Law Tribunal pursuant to Section 230 to Section 232 of the Act, as amended;

b. Reduction of securities premium, other reserves available with the Company after giving effect to the demerger and equity share capital (by reducing the face value of paid-up equity shares of the Company, by up to Rs 99/- (Rupees Ninety-Nine Only) per equity share, thereby reducing the face value from existing Rs. 100/- (Rupees Hundred Only) per equity share to minimum of Re. 1/- (Rupee One Only per equity share) with a corresponding adjustment against negative balance in demerger reserve arising on demerger.

Appointed date for the scheme is April 1, 2023. The Reserve Bank of India has given its no-objection for the Scheme. The Scheme has been approved by the creditors of the respective companies and is subject to approval of the Hon'ble National Company Law Tribunal and other regulatory authorities.

32. 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.

33. 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 2023	As at March 31 2022
In respect of consumer disputes	28,07.83	32,83.87
In respect of bonus under the Payment of Bonus (Amendment) Act, 2015	-	26.15
Total	**28,07.83**	**33,10.02**

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

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
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 ₹ 50.85 lakhs (as at March 31, 2022: ₹ 4,35.08 lakhs).

Other commitments

Loan commitment towards vehicle financing ₹ 27.09 lakhs (as at March 31, 2022: ₹ 17.16 lakhs).

34. Related party disclosures

1 Related parties and their relationship (as defined under IndAS-24 Related Party Disclosures)

A. Parties where the control exists:

Ultimate Holding Company: Tata Motors Limited
Holding Company: TMF Holdings Limited

B. Other Related Parties with whom transactions have taken place during the year end:

(ii) 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 Vehicle Applications private Limited
Tata Marcopolo Motors Limited
Tata Motors Passenger VehicleS Limited

(iii) 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

(iv) Relatives of Key Management personnel

Ms. Sonu Mani - Spouse of Non Executive Director

(V) Post Employment Benefit Plans

Tata Motors Finance Limited Employees Gratuity Trust

C. Key Management personnel :

Mr. Samrat Gupta - Managing Director & Chief Executive Officer
Mr. Naseer Munjee - Chairman & Independent Director
Ms. Vedika Bhandarkar - Independent Director
Mrs. Varsha Purandare - Independent Director and Additional Director
Mr. P. S. Jayakumar - Independent Director
Mr. P. B. Balaji - Non-Executive Director
Mr. Shyam Mani - Non-Executive Director
Mr. Dhiman Gupta- Non-Executive Director (w.e.f May 24, 2022)
Ms. Ridhi Gangar-Chief Financial Officer

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Notes forming part of the financial statements for the year ended March 31, 2023

The following table summarizes related-party transactions for the year ended March 31, 2023 and balances as at March 31, 2023

(₹ in lakhs)

Particulars	Ultimate Holding Company	Holding Company	Other Related Parties	Total
a) Transactions during the year				
Income related to financing activities	2,39.68	-	-	2,39.68
Interest income on loans and investments	7,47.28	2,18.61	-	9,65.89
Dividend income	-	-	49.59	49.59
Rent Income	-	-	3,58.12	3,58.12
Service charges income	39.00	1,10.64	88,56.21	90,05.85
Amount received towards reimbursement of expenses	-	-	3.18	3.18
Expenses for other services (incl. reimbursement of expenses)	2,46.98	-	38,22.77	40,69.75
Interest Expenses	-	83,19.90	-	83,19.90
Rent Expenses (refer note (i))	23.15	3,67.08	-	3,90.23
Other Expenses	-	36.97	73.11	1,10.08
Recoveries from employee benefit trust	-	-	5,20.43	5,20.43
Contributions paid to employee benefit trust	-	-	4,83.21	4,83.21
Loans and advances recovered	1470,00.00	355,00.00	-	1825,00.00
Loans and advances taken	-	1900,00.00	-	1900,00.00
Issue of share capital (including share premium)	-	700,36.46	-	700,36.46
Loans and advances given	1470,00.00	355,00.00	-	1825,00.00
Loans and advances repaid	-	1600,00.00	-	1600,00.00
Purchase of fixed assets	9,74.65	-	-	9,74.65

(₹ in lakhs)

b) Closing Balance	Ultimate Holding Company	Holding Company	Other Related Parties	Total
Receivable - loans and Advances - Purchase of Receivable	20.00	-	-	20.00
Receivable - loans and Advances - Finance lease	10.31	-	-	10.31
Other Receivables	85.49	10.75	2,20.38	3,16.62
Payables - borrowings & debt securities	-	900,00.00	-	900,00.00
Other Payables	1,48.52	30,54.99	37,96.27	69,99.78
Interest income accrued on Finance lease	0.01	-	-	0.01

(₹ in lakhs)

c) Maximum balance during the year	Ultimate Holding Company	Holding Company	Other Related Parties	Total
Amount receivable others	50.35	20.76	29,43.83	30,14.94
Amount receivable in respect of security deposit	7.26		-	7.26
Incentive receivable	10,54.88		-	10,54.88
Purchase of receivable	29.07		-	29.07
Finance lease receivable	10.32		-	10.32
Accrued Interest income - Finance lease receivable	0.01		-	0.01
Amount payable in respect of Subordinate liabilities		600,00.00	-	600,00.00
Amount payable others	1,42.46	42,14.93	85,52.63	129,10.02
Amount payable in respect of ICD		800,00.00	-	800,00.00

(₹ in lakhs)

d) Intra Group Exposure	Ultimate Holding Company	Holding Company	Other Related Parties	Total
Total amount of Intra - Group exposures			309,07.69	
Total amount of top 20 Intra - Group exposures			309,07.69	
% of Intra group exposures to total exposures of the NBFC on			1.15%	

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)

Notes forming part of the financial statements for the year ended March 31, 2023

The following table summarizes related-party transactions for the year ended March 31, 2022 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	30.04
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
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	86,11.10
Rent Expenses (refer note (i))	31.07	5,55.84	-	5,86.91
Dividend paid	-	84,94.84	1,10.23	86,05.07
Other Expenses	-	59.00	1,84.47	243.47
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) Closing Balance	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

(₹ in lakhs)

C) Maximum balance during the year	Ultimate Holding Company	Holding Company	Other Related Parties	Total
Amount receivable others	83,86.39		1,26.55	85,12.94
Amount payable in respect of Subordinate liabilities		600,00.00		600,00.00
Amount payable others		44,75.48	102,78.04	147,53.52

d) Intra Group Exposure	Ultimate Holding Company	Holding Company	Other Related Parties	Total
Total amount of Intra - Group exposures			308,06.73	
Total amount of top 20 Intra - Group exposures			308,06.73	
% of Intra group exposures to total exposures of the NBFC on			0.99%	

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. Rent expenses includes ₹ 23.15 lakhs (₹ 21.54 lakhs for year March 31, 2022) which has been adjusted against the outstanding lease liability in accordance with Ind AS 116.

(iI) The Company has issued 1,36,67,774 equity shares having face value of Rs. 100 each to its holding company, TMF Holdings Limited during the year ended March 31, 2023 (refer note 22A).

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

(₹ in lakhs)

a) Transactions during the year	**For the year ended March 31 2023**	**For the year ended March 31 2022**
Distributions made for Instruments entirely equity in nature	10.25	-
Interest paid on unsecured perpetual debentures	2.91	13.65

b) Balances as at	**As at March 31 2023**	**As at March 31 2022**
Net payable - Unsecured perpetual debentures	1,30.00	1,30.00

(c) Key management personnel remuneration

(₹ in lakhs)

Particulars	**For the year ended March 31 2023**	**For the year ended March 31 2022**
Short term employee benefits (refer notes below)	7,58.43	7,93.57
Total	**7,58.43**	**7,93.57**

Notes:

(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

(ii) Includes sitting fees paid to independent directors ₹ 60.30 lakhs and ₹ 1,74.50 lakhs for the year ended ended March 31, 2023 and March 31, 2022 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 ₹ 2,23.69 lakhs as compared to limits prescribed under section 197 read with Schedule V to the Companies Act, 2013. The Company has obtained shareholder’s approval by passing a special resolution in the ensuing general meeting as at 17 January 2023.

35. 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 ₹ 82.86 lakhs (previous year ₹ 92.70 lakhs) has been recognised in the Statement of Profit and Loss.

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

a) Changes in defined benefit obligations

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
Defined benefit obligation, beginning of the year	47,58.35	42,04.04
Current service cost	4,49.42	4,16.94
Interest cost	3,15.61	2,81.99
Remeasurement (gains) / losses		
Actuarial (gain) /losses arising from change in financial assumptions	9.72	(30.65)
Actuarial (gain) /losses arising from change in demographic assumptions	(50.20)	59.24
Actuarial (gain) /losses arising from change in experience adjustments	(3,37.34)	61.26
Transfer between Subsidiaries		
Benefits paid from plan assets	(6,26.40)	(2,34.47)
Defined benefit obligation, end of the year	**45,19.16**	**47,58.35**

b) Changes in plan assets

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
Fair value of plan assets, beginning of the year	42,75.14	37,22.59
Interest Income on plan assets	2,98.45	2,65.38
Remeasurement gains / (losses)		
Return on plan assets, (excluding amount included in net Interest expense)	1,45.35	40.19
Transfer in/(out) of assets	-	-
Employer's contribution	4,83.21	4,81.45
Benefits paid	(6,26.40)	(2,34.47)
Fair value of plan assets, end of the year	**45,75.75**	**42,75.14**

c) Amount recognised in balance sheet consists of:

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
Present value of defined benefit obligation	(45,19.16)	(47,58.35)
Fair value of plan assets	45,75.75	42,75.14
Net Assets/ (Liability)	56.59	**(4,83.21)**

d) Amount recognised in the Statement of Profit and Loss:

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
Current Service Cost	4,49.42	4,16.94
Interest on Defined Benefit Obligations (Net)	17.16	16.61
Net Charge to the Statement of Profit and Loss	**4,66.58**	**4,33.55**

e) Amount recognised in Other Comprehensive Income(OCI) for the year:

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/(income)	(1,45.35)	(40.19)
Actuarial (gain) /losses arising from change in demographic assumptions	(50.20)	59.24
Actuarial (gain) /losses arising from change in financial assumptions	9.72	(30.65)
Actuarial (gain) /losses arising from change in experience adjustments	(3,37.34)	61.26
Net impact on the other comprehensive income before tax	**(5,23.17)**	**49.66**

f) The fair value of Company's Gratuity plan asset by category

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
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:

Particulars	As at March 31 2023	As at March 31 2022
Discount rate	7.20%	7.10%
Expected return on plan assets	7.10%	6.90%
Salary Escalation rate	8% for first year, 7% thereafter	8% for first year, 7% thereafter
Mortality Tables	Indian Assured Lives mortality (2006-08) Ult	

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

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

h) The maturity profile of defined benefit obligation are set out below:

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
Within next 12 months (next annual reporting period)	5,00.48	4,16.83
Between 1 and 5 years	23,31.89	21,31.41
Between 5 and 9 years	33,26.30	32,54.78

i) Quantitative sensitivity analysis for significant assumptions:

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
100 bps increase in discount rate	(2,74.42)	(3,37.34)
100 bps decrease in discount rate	3,07.75	3,83.64
100 bps increase in salary escalation rate	3,04.76	3,79.84
100 bps decrease in salary escalation rate	(2,76.50)	(3,40.08)

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:

Particulars	As at March 31 2023	As at March 31 2022
The weighted average duration of the defined benefit obligation	6.75 years	7.87 years

k) The best estimate of the expected Contribution for the next year:

(₹ in lakhs)

Particulars	As at March 31 2023
Expected contribution to the funded gratuity plans in nect financial year.	1,05.54

l) Risk Exposure

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

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

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

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

36A. Asset Liability Maturity Pattern of certain items of assets and liabilities

(₹ in lakhs)

Particulars	Period	1 to 7 days	8 to 14 days	15 days to 30 / 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 month & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
1 Deposits	March 31, 2023	1636,47.83	1309,54.48	102,75.07	1,23.85	35.13	29,26.12	5,43.08	-	-	-	3085,05.56
	March 31, 2022	1761,48.00	-	-	4,08.00	60,30.00	-	-	363,60.78	-	-	2189,46.78
2 Advances	March 31, 2023	230,87.41	208,03.05	369,75.44	692,20.39	675,58.26	1767,52.96	3740,85.68	10763,55.76	3554,96.29	1752,97.98	23756,33.22
	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	1710,07.54	28203,78.66
3 Investments	March 31, 2023	207,12.67	-	109,46.31	-	-	-	-	-	-	1124,18.39	1440,77.37
	March 31, 2022	931,19.26	-	-	-	-	-	-	-	-	316,11.27	1247,30.53
4 Borrowings	March 31, 2023	25,00.00	7,13.42	648,36.84	1375,03.69	587,85.98	3698,92.64	6343,64.32	7666,86.29	2927,96.02	548,84.36	23829,63.56
	March 31, 2022	25,05.40	465,99.70	668,65.69	778,85.00	1101,68.14	1249,02.95	9579,49.02	10894,43.98	795,63.28	798,51.43	26357,34.59
5 Foreign Currency liabilities	March 31, 2023	-	-	-	-	-	-	-	819,40.72	-	-	819,40.72
	March 31, 2022	-	-	454,48.71	-	-	681,78.23	-	752,21.09	-	-	1888,48.03

Notes:

1 Borrowings includes CC, WCDL, Term Loans, ICDs, CDO, CPs and NCDs.
2 Borrowings includes Commercial Papers which are issued at discount and Zero Coupon Bonds includes Premium payable on redemption.
2 Foreign Currency liabilities includes External Commercial Borrowings.
3 Cash Credit and WCDL are shown in 6 months to 1 Year time bucket as per RBI guidelines.
4 Deposit is in the form of Fixed Deposits with Banks.

36B. Capital to Risk Assets Ratio (CRAR)

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

Particulars	As at March 31 2023	As at March 31 2022
1 CRAR (%)	24.00%	18.46%
2 CRAR - Tier I capital (%)	13.14%	10.88%
3 CRAR - Tier II capital (%)	10.86%	7.58%
4 Amount of subordinated debt raised as Tier-II capital		-
5 Amount raised by issue of Perpetual Debt Instruments	-	385,00.00

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)

36C. Perpetual debt instruments

(₹ in lakhs)

	Particulars	As at March 31 2023	As at March 31 2022
1	Funds raised through perpetual debt instruments	-	385,00.00
2	Amount outstanding at the end of year	1348,00.00	1348,00.00
3	Percentage of amount of perpetual debt instrument of the amount of Tier I Capital	18.07%	17.32%
4	Financial year in which interest on perpetual debt instruments is not paid on account of 'Lock-in Clause'	NIL	NIL

36D.
Disclosure on securitisation/direct assigment of standard assets

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

	Particulars	As at March 31 2023	As at March 31 2022
1	No. of special purpose vehicles (SPVs) sponsored by the Company for securitisation transactions	2	12
2	Total amount of securitised assets as per books of the SVPs sponsored by the Company (as certified by the SPV's auditors)	120,72.74	1011,95.70
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	74,14.46	432,05.39
	Others	22,40.12	46,57.80
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
	Excess Interest Spread	2,24.92	21,72.36
	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
	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)

	Particulars	As at March 31 2023	As at March 31 2022
1	No. of contracts assigned during the year	21,057	49,963
2	Aggregate value (net of provisions) of accounts sold*	2801,65.61	3898,61.82
3	Aggregate consideration	2801,65.61	3898,61.82
4	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5	Aggregate gain / loss over net book value	-	-

*includes the carrying value of portfolios sold out of loans classified as amortised cost of Rs. 119,67 lakhs in FY 22-23 & Rs. 2634,41.70 lakhs in FY 21-22

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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)

36E. Disclosure of restructured advances

(₹ in lakhs)

	Type of Restructuring => Asset Classification =>		Others				
			Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on April 1, 2022 [opening figures]	No. of Borrowers	13	-	96.00	-	109.00
		Amount Outstanding	12,90.34	-	19,01.01	-	31,91.35
		Provision Amount	67.27	-	4,46.28	-	5,13.55
2	Fresh restructuring during the year 2022 - 2023	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	10	-	(10.00)	-	-
		Amount Outstanding	86.45	-	(1,24.84)	-	(38.39)
		Provision Amount	6.40	-	(35.08)	-	(28.68)
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	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
6	Write offs of restructured accounts during the financial year	No. of Borrowers	(1.00)	-	(10)	-	(11.00)
		Amount Outstanding	(2.72)	-	(4,96.30)	-	(4,99.02)
		Provision Amount	(0.14)	-	(1,02.30)	-	(1,02.44)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	(12)	-	(30.00)	-	(42.00)
		Amount Outstanding	(12,87.62)	-	(6,01.60)	-	(18,89.22)
		Provision Amount	(67.14)	-	(1,29.87)	-	(1,97.01)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2023 [closing figures]	No. of Borrowers	10.00	-	46.00	-	56.00
		Amount Outstanding	86.45	-	6,78.27	-	7,64.72
		Provision Amount	6.39	-	1,79.02	-	1,85.41

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 2021-22

(₹ in lakhs)

	Type of Restructuring => Asset Classification =>		Others				
			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)	-	(2,82.86)
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		-	-	-	-	-
		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	-	19,01.01	-	31,91.35
		Provision Amount	67.27	-	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.

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)

36F. Break up of 'Provisions and Contingencies' shown under the head 'Expenditure' in the Statement of Profit and Loss

(₹ in lakhs)

	Particulars	**For the year ended 2023**	**For the year ended 2022**	
1	Provision for doubtful loans and advances (others)	(12,74.47)	22,06.71	
2	Provision for doubtful Loans	73,03.10	380,40.47	
3	Provision made towards income tax	(5,55.62)	(70,16.29)	
4	Provision on consumer disputes	47.01	(32.54)	
5	Provision on indirect taxes	265.91	-	-

36G. Investments

(₹ in lakhs)

	Particulars	**As at March 31 2023**	**As at March 31 2022**
1	**Value of investments**		
(i)	Gross value of investments		
(a)	In India	1440,77.37	1247,30.51
(b)	Outside India	-	-
(ii)	Provision for depreciation		
(a)	In India	-	-
(b)	Outside India	-	-
(iii)	Net value of investments		
(a)	In India	1440,77.37	1247,30.51
(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	-	-

36H. Capital Market

(₹ in lakhs)

	Particulars	**As at March 31 2023**	**As at March 31 2022**
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;	425,96.31	424,33.14
2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
6	Loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter’s contribution to the equity of new companies in anticipation of raising resources;	-	-
7	Bridge loans to companies against expected equity flows / issues;	-	-
8	underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
9	Financing to stockbrokers for margin trading;	-	-
10	All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	4,89.34	5,39.62
		430,85.65	**429,72.76**

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)

36I. Ratings assigned by credit rating agencies and migrations of ratings in respect of all credit facilities and debt instruments during the year:

	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, 2023	CRISIL AA-/ STABLE	CRISIL A1+	CRISIL AA-/ STABLE	CRISIL AA-/ STABLE	CRISIL A1+	CRISIL A / STABLE
		March 31, 2022	CRISIL AA-/ STABLE	CRISIL A1+	CRISIL AA-/ STABLE	CRISIL AA-/ STABLE	CRISIL A1+	CRISIL A / STABLE
2	ICRA	March 31, 2023	ICRA AA- / Postive	ICRA A1+	ICRA AA- / Postive	ICRA AA- / Postive	ICRA A1+	ICRA A / Postive
		March 31, 2022	ICRA AA- / STABLE	ICRA A1+	ICRA AA- / STABLE	ICRA AA- / STABLE	ICRA A1+	ICRA A / STABLE
3	CARE	March 31, 2023	CARE AA-/ STABLE	NA	CARE AA-/ STABLE	CARE AA-/ STABLE	CARE A1+	CARE A / STABLE
		March 31, 2022	CARE AA-/ STABLE	NA	CARE AA-/ STABLE	CARE AA-/ STABLE	CARE A1+	CARE A / STABLE

36J. Details of financing of parent company's products

(₹ in lakhs)

	Particulars	As at March 31 2023		As at March 31 2022	
		No's	**Amount**	**No's**	**Amount**
1	Commercial vehicle#	64,304	10357,39.00	968,24	11570,24.00
2	Passenger vehicle#	4,201	359,17.00	55,24	336,68.00

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

36K. Concentration of advances

(₹ in lakhs)

	Particulars	As at March 31 2023	As at March 31 2022
1	Total advances to twenty largest borrowers / customer	878,51.39	669,06.94
2	Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	3.44%	2.24%

36L. Concentration of exposures

(₹ in lakhs)

	Particulars	As at March 31 2023	As at March 31 2022
1	Total exposure to twenty largest borrowers / customer	878,51.39	669,06.94
2	Percentage of exposures to twenty largest borrowers / customer to total exposure of the NBFC on borrowers / customer	3.44%	2.24%

36M. Concentration of NPAs

(₹ in lakhs)

	Particulars	As at March 31 2023	As at March 31 2022
1	Total exposure to top four NPA accounts	4,27.58	31,60.31

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)

36N. Sector-wise NPAs (Percentage of NPAs to total advances in that sector)

		As at March 31, 2023			As at March 31, 2022		
	Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and allied activities	-	-	-	-	-	
2	Industry						
i.		-	-	-	-	-	-
ii.		-	-	-	-	-	-
	Total						
3	Services						
i.	Retail Loans	25061,83.15	287,761.22	11.48%	29021,14.23	3076,94.62	10.60%
ii.	Wholesale Loans	452,42.21	-	-	831,92.92	-	-
	Total	**25514,25.36**	**2877,61.22**		**29853,07.15**	**3076,94.62**	**-**
4	Personal Loans						
i.		-	-	-	-	-	-
ii.		-	-	-	-	-	-
	Total	-	-	-	-	-	-
5	Others, if any	-	-	-	-	-	

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, 2023 : 11.28%, March 31, 2022 : 10.31%

36O. Customer complaints

(Numbers)

	Particulars	**As at March 31 2023**	**As at March 31 2022**
1	No of complaints pending at the beginning of the year	410	169
2	No of complaints received during the year*	9,056	6,931
3	No of complaints redressed during the year	8,670	6,690
3.1	Of which, number of complaints rejected by the NBFC	811	-
4	No of complaints pending at the end of the year	796	410
*complaints include legal cases lodged			
	Complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	167	142
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	164	142
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	6	2
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

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)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Any Notice / request from Advocates/ RTO	225	2807	75%	633	443
Calls from unauthorized persons to pay	0	2011	NA	-	-
Payment not reflecting	36	1534	-38%	13	8
Recovery Agents/ Direct Sales Agents	12	528	23%	29	6
Renewed Insurance Policy Not received	-	494	-1%	-	-
Others	137	1682	-13%	121	90
Total	**410**	**9056**	**31%**	**796**	**547**
Previous Year					
Payment not reflecting	32	2461	-3%	36	-
Any Notice / request from Advocates/ RTO	122	1608	28%	225	93
Not applied for a loan, but getting calls	-	980	NA	104	94
Renewed Insurance Policy Not received	-	497	-40%	-	-
Recovery Agents/ Direct Sales Agents	5	428	86%	12	-
Others	10	957	9%	33	7
Total	**169**	**6931**	**21%**	**410**	**194**

36P. Movement of NPAs

(₹ in lakhs)

	Particulars	As at March 31 2023	As at March 31 2022
1	**Net NPAs to net advances**	5.91%	5.98%
2	**Movement of NPAs (Gross)**		
(i)	Opening balances	3076,94.61	1748,39.68
(ii)	Additions during the year	2178,99.44	2195,01.85
(iii)	Reductions during the year	2378,32.83	866,46.92
(iv)	Closing balances	2877,61.22	3076,94.61
3	**Movement of Net NPAs**		
(i)	Opening balances	1704,26.64	1215,96.20
(ii)	Additions during the year	468,60.64	898,37.25
(iii)	Reductions during the year	750,12.69	410,06.80
(iv)	Closing balances	1422,74.59	1704,26.65
4	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(i)	Opening balances	1372,67.97	532,43.48
(ii)	Provisions made during the year	1710,38.79	1296,64.61
(iii)	Write-off / write-back of excess provisions	1628,20.14	456,40.12
(iv)	Closing balances	1454,86.62	1372,67.97

36Q. Forward Rate Agreement / Interest Rate Swap

(₹ in lakhs)

	Particulars	As at March 31 2023	As at March 31 2022
(i)	The notional principal of swap agreements	718,60.00	1785,74.50
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	96,99.07	87,64.13
(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	82,12.43	67,84.62

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.

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)

Quantitative Disclosures

(₹ in lakhs)

	Particulars	As at March 31 2023		As at March 31 2022	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging	718,60.00		1785,74.50	
(ii)	Marked to Market Positions				
	a) Asset (+)	85,92.87	11,06.20	84,57.16	3,06.97
	b) Liability (-)		(14,86.64)		(19,79.51)
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

36R. 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	As at March 31 2023	As at March 31 2022
No. of accounts restructured	-	14,337
Amount	-	1114,56.51

36S. 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)

	No. of Significant Counterparties*	Amount	Percentage to Total Deposits	Percentage to Total Liabilities
1	20	22369,96.00	NA	86.28%

*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
17182,96.00	69.71%

(iv) Funding Concentration based on significant instrument / product

(₹ in lakhs)

	Name of the instrument/product	Amount	% to Total Liabilities
1	Term Loans (including External Commercial Borrowings)	15323,41.22	59.10%
2	Collaterised Debt Obligation (CDO)	74,87.24	0.29%
3	Commercial Paper	3256,07.45	12.56%
4	Inter-Corporate Deposits	300,00.00	1.16%
5	Working Capital Demand Loan	1345,00.00	5.19%
6	Non-Convertible Debentures	2963,03.13	11.43%
7	Subordinated Debt	1311,67.22	5.06%
8	Cash Credit	74,98.01	0.29%

(v) Stock ratios

	Particulars	Total public funds	Total liabilities	Total assets
1	Commercial papers as a percentage of	13%	13%	11%
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	41%	41%	35%

Note: Interest accrued but not due has been excluded from Borrowings/Total Public funds

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)

(vi) Institutional set-up for liquidity risk management

Tata Motors Finance Limited (TMFL) has constituted an Asset Liability Supervisory Committee (ALCO) to oversee liquidity risk management. ALCO consists of Managing Director & Chief Executive Officer, Non-Executive Director, Chief Financial Officer, Chief Digital and Marketing Officer, Chief Credit Officer, Chief Risk Officer and Head - Treasury. 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.

For the previous year i.e. financial year 2021-22

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

(₹ in lakhs)

	No. of Significant Counterparties*	Amount	Percentage to Total Deposits	Percentage to Total Liabilities
1	26	23254,34.72	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
15597,59.76	54.96%

(iv) Funding Concentration based on significant instrument / product

(₹ in lakhs)

	Name of the instrument/product	Amount	% to Total Liabilities
1	Term Loans (including External Commercial Borrowings)	14077,38.32	48.05%
2	Collaterised Debt Obligation (CDO)	1181,71.75	4.03%
3	Commercial Paper	4662,78.07	15.91%
4	Working Capital Demand Loan	3160,00.00	10.79%
5	Subordinated Debt	1500,55.18	5.12%
6	Non-Convertible Debentures	3386,59.80	11.56%

(v) Stock ratios

	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.

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)

36T. 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	20405,07.35	154,76.73	20250,30.62	84,91.40	69,85.33
	Stage-2	2231,29.70	142,00.67	2089,29.03	19,95.69	122,04.98
Subtotal		**22636,37.05**	**296,77.40**	**22339,59.65**	**104,87.09**	**191,90.31**
Non-Performing Asset (NPA)						
SubStandard	Stage-3	1419,80.07	551,11.04	868,69.03	141,98.01	409,13.03
Doubtful up to 1 Year	Stage-3	1009,85.27	607,79.97	402,05.30	622,06.93	(14,26.96)
1 to 3 Years	Stage-3	445,36.18	293,79.06	151,57.12	296,05.94	(2,26.88)
More than 3 Years	Stage-3	2,59.70	2,16.55	43.15	1,97.37	19.18
Subtotal of Doubtful		**1457,81.15**	**903,75.58**	**554,05.57**	**920,10.24**	**(16,34.66)**
Loss	Stage-3	-	-	-	-	-
Subtotal of NPA		**2877,61.22**	**1454,86.62**	**1422,74.60**	**1062,08.25**	**392,78.37**
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	27.09	0.20	26.89	-	0.20
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		**27.09**	**0.20**	**26.89**	**-**	**0.20**
TOTAL	Stage-1	20405,34.44	154,76.93	20250,57.51	84,91.40	69,85.53
	Stage-2	2231,29.70	142,00.67	2089,29.03	19,95.69	122,04.98
	Stage-3	2877,61.22	1454,86.62	1422,74.60	1062,08.25	392,78.37
		25514,25.36	**1751,64.22**	**23762,61.14**	**1166,95.34**	**584,68.88**

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, 2023 and accordingly, no amount is required to be transferred to impairment reserve.

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Notes forming part of the financial statements for the year ended March 31, 2023

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 2021-22

(₹ 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	(144,19.90)
	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**	**(126,70.11)**
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 the financial statements for the year ended March 31, 2023

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

36.U

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

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 Investment in Government Securities 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 calculation of High-Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Investment in Government Securities and Balance in current accounts with the Banks. 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 70% and TMFL's LCR stood at 137% for the quarter ended March 31, 2023.
Below is the quarterly summary of LCR values for financial year 2022- 2023.

(₹ in lakhs)

	Particulars	Quarter ended March 31, 2023		Quarter ended December 31, 2022		Quarter ended September 30, 2022		Quarter ended June 30, 2022	
		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)	-	-						
(ii)	Investment in Government Securities	1057,46.64	1057,46.64	798,63.05	798,63.05	902,44.78	902,44.78	861,06.88	861,06.88
(iii)	Cash & Bank Balance	39,11.41	39,11.41	73,34.31	73,34.31	90,54.57	90,54.57	122,21.46	122,21.46
(iv)	Investment in Listed Companies	-	-	-	-	-	-	-	-
1	**Total HQLA**	**1096,58.05**	**1096,58.05**	**871,97.36**	**871,97.36**	**992,99.35**	**992,99.35**	**983,28.34**	**983,28.34**
	Cash Outflow								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	967,36.32	1112,46.77	282,14.97	324,47.22	656,84.49	755,37.17	737,16.57	847,74.06
4	Secured wholesale funding	861,50.35	990,72.90	716,39.80	823,85.77	902,06.89	1037,37.92	970,95.96	1116,60.35
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	849,30.39	976,69.95	762,59.46	876,98.37	764,10.34	878,71.89	915,54.67	1052,87.87
7	Other contingent funding obligations	105,50.07	121,32.58	111,91.77	128,70.54	101,43.14	116,64.61	69,52.69	79,95.59
8	**Total Cash Outflow**	**2783,67.13**	**3201,22.20**	**1873,06.00**	**2154,01.90**	**2424,44.86**	**2788,11.59**	**2693,19.89**	**3097,17.87**
	Cash Inflow								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	736,35.00	552,24.00	715,66.00	536,74.00	805,74.00	604,30.00	884,20.00	663,15.00
11	Other cash inflows	6364,36.00	4773,27.00	6301,51.00	4726,13.00	5020,48.00	3765,36.00	4465,77.00	3349,32.00
12	**Total Cash Inflow**	**7100,71.00**	**5325,51.00**	**7017,17.00**	**5262,87.00**	**5826,22.00**	**4369,66.00**	**5349,97.00**	**4012,47.00**
13	**Total HQLA**		1096,58.05		871,97.36		992,99.35		983,28.34
14	**Total Net Cash Outflow**		800,30.55		538,50.47		699,01.00		774,29.47
15	**LIQUIDUTY COVERAGE RATIO (%)**		137%		162%		142%		127%

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 the financial statements for the year ended March 31, 2023

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

(₹ in lakhs)

	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)	Cash & Bank Balance	897,28.40	897,28.40	92,54.76	92,54.76	-	-	-	-
(iii)	Investment in Listed Companies	104,04.47	104,04.47	108,92.48	108,92.48	73,36.10	73,36.10	91,53.18	91,53.18
		-	-	-	-	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 other collater	37.38	42.98	-	-	-	-	5,59.87	6,43.86
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(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
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		693,06.32		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.

37. 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, 2023

(₹ 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	908,81.46	129,96.52	401,99.39	-	-	1440,77.37
(b) Loans	11015,91.29	12740,41.93	-	-	-	23756,33.22
(c) Trade & other receivables	32,34.55		-	-	-	32,34.55
(d) Cash and cash equivalents	3227,01.92	-	-	-	-	3227,01.92
(e) Other bank balances	61,41.91	-	-	-	-	61,41.91
(f) Other financial assets	796,12.06	-	-	-	-	796,12.06
(g) Derivative financial instruments	-	-	-	-	96,99.07	96,99.07
Total	**16041,63.19**	**12870,38.45**	**401,99.39**	**-**	**96,99.07**	**29411,00.10**

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
(a) Borrowings	17118,26.47	-	-	-	-	17118,26.47
(b) Debt securities	6219,10.58	-	-	-	-	6219,10.58
(c) Trade & other payables	308,54.54	-	-	-	-	308,54.54
(d) Subordinated liabilities	1311,67.23	-	-	-	-	1311,67.23
(e) Derivative financial instruments	-	-	-	-	14,86.64	14,86.64
(f) Other financial liabilities	784,45.38	-	-	-	-	784,45.38
Total	**25742,04.20**	**-**	**-**	**-**	**14,86.64**	**25756,90.84**

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 31,2023					
	Carrying value	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value						
(a) Investments	531,95.91	531,95.91	293,90.93		238,04.98	531,95.91
(b) Derivative instruments	96,99.07	96,99.07	-	96,99.07	-	96,99.07
(c) Loans	12740,41.93	12740,41.93	-	-	12740,41.93	12740,41.93
Total	**13369,36.91**	**13369,36.91**	**293,90.93**	**96,99.07**	**12978,46.91**	**13369,36.91**

Particulars	As at March 31,2023					
	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	11015,91.29	11124,36.83	-	-	11124,36.83	11124,36.83
Total	**11015,91.29**	**11124,36.83**	**-**	**-**	**11124,36.83**	**11124,36.83**

Particulars	As at March 31,2023					
	Carrying value	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at fair value						
(a) Derivative instruments	14,86.64	14,86.64	-	1,486.64	-	14,86.64
	14,86.64	**14,86.64**	**-**	**14,86.64**	**-**	**14,86.64**

Particulars	As at March 31,2023					
	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	74,87.24	75,12.72	-	7,512.72	-	75,12.72
(b) Debt securities	2963,03.13	2926,58.96	-	292,658.96	-	2926,58.96
(c) Subordinated liabilities	1311,67.23	1335,69.85	-	133,569.85	-	1335,69.85
Total	**4349,57.60**	**4337,41.53**	**-**	**4337,41.53**	**-**	**4337,41.53**

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	681,97.04	-	-	-	-	681,97.04
(g) Derivative financial instruments	-	-	-	87,64.13	-	8,764.13
Total	**20430,45.83**	**12490,62.89**	**180,50.86**	**87,64.13**	**-**	**33189,23.71**

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	293,78.00	-	-	-	-	293,78.00
(d) Subordinated liabilities	1500,55.82	-	-	-	-	1500,55.82
(e) Derivative financial instruments	-	-	-	19,79.51	-	19,79.51
(f) Other financial liabilities	770,96.66	-	-	-	-	770,96.66
Total	**29310,57.28**	**-**	**-**	**19,79.51**	**-**	**29330,36.79**

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	94,32.26		219,88.98	314,21.24
(b) Derivative instruments	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**	**94,32.26**		**12576,81.48**	**12671,13.74**

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	-	1,979.51	-	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	-	133,435.17	-	1334,35.17
(b) Debt securities	3386,59.36	3572,85.07	-	357,285.07	-	3572,85.07
(c) Subordinated liabilities	1500,55.82	1675,24.78	-	167,524.78	-	1675,24.78
Total	**6194,31.00**	**6582,45.02**	**-**	**6582,45.02**	**-**	**6582,45.02**

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 year ended March 31,2023 and March 31, 2022.

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, 2023 and March 31, 2022. 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 financial asset measured at fair value is as below :

(₹ in lakhs)

Particulars	For the period ended March 31 2023	For the period ended March 31 2022
Balance at the beginning of the year	12576,81.48	8093,97.08
Additions during the year	3530,26.85	8489,28.61
Mark to Market (loss)/gain recognized in OCI	(251,54.59)	15,08.88
Mark to Market gain recognized in P&L	6,41.47	53,33.98
Realised during the year	(2883,48.30)	(4074,87.07)
Balance at the end of the year	**12978,46.91**	**12576,81.48**

38. 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.

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, 2023		For the year ended March 31, 2022	
	Right-of-use assets Buildings	Other financials liabilities Lease Liabilities	Right-of-use assets Buildings	Other financials liabilities Lease Liabilities
	(Audited)	(Audited)	(Audited)	(Audited)
Balance at the beginning of the year	66,17.53	72,09.09	43,62.54	47,31.60
Additions	24,94.70	24,94.70	36,31.13	36,31.77
Deletions	(1,73.75)	(56.62)	(1,28.41)	(1,34.04)
Depreciation expense	(15,45.78)	-	(12,47.73)	-
Interest expense	-	6,44.85	-	5,07.72
Payments	-	(20,42.38)	-	(15,27.96)
Balanced at the end of the year	**73,92.70**	**82,49.64**	**66,17.53**	**72,09.09**

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 43 on Financial Risk Management for maturity analysis of lease liabilities at March 31, 2023

(₹ in lakhs)

Set out below, are the amounts recognised in profit and loss	For the year ended March 31 2023	For the year ended March 31 2022
Depreciation expense of right-of-use assets	15,45.78	12,47.73
Interest expense on lease liabilities	6,44.85	5,07.72
Rent expense- Short term leases	5,68.90	8,52.57
Leases of low value assets	3.68	5.12
Variable lease payments (not being linked to any index or rate)	-	-

39. Company as a Lessor

The Company has given vehicles under operating lease.

The Company has recognised lease rental income from leasing of these assets amounting to Rs. 64,12.89 lakhs (Previous year: 32,05.46 lakhs) in the Statement of Profit and Loss. There are no variable lease rentals recognized during the year.

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 2023	As at March 31 2022
Within 1 year	31,17.15	44,16.64
1-2 years	16,83.83	33,71.23
2-3 years	6,71.64	12,30.72
3-4 years	4,72.27	87.71
4-5 years	1,07.34	-
Above 5 years	-	-
Total	**60,52.23**	**91,06.30**

40. 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	As at March 31 2023	As at March 31 2022
Less than 1 year	35,14.04	35,54.33
1-2 years	25,60.94	19,74.13
2-3 years	17,99.03	14,98.26
3-4 years	14,94.96	9,29.94
4-5 years	3,72.91	8,22.63
more than 5 years	-	1,25.99
Total undiscounted lease payments receivable	**97,41.88**	**89,05.28**
Unearned finance income	(1,587.38)	(1,510.74)
Net investment in the lease	**81,54.50**	**73,94.54**

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

(₹ in lakhs)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
Finance income on the net investment in the lease	8,31.04	4,03.11

41 Reconciliation of Movement in Borrowings to cash flows from financing activities

(₹ in lakhs)

Particulars	As at April 01, 2022	Cash flows (net)	Exchange difference	Amortisation / EIR adjustments	As at March 31, 2023
Debt securities	8049,37.43	(1888,21.48)	-	57,94.63	6219,10.58
Borrowings (Other than debt securities)	18695,89.37	(1457,47.25)	4,21.83	(124,37.48)	17118,26.47
Subordinated liabilities	1500,55.82	(190,40.00)	-	151.41	1311,67.23
Total	**28245,82.62**	**(3536,08.73)**	**4,21.83**	**(64,91.44)**	**24649,04.28**

Note: Debt securities includes commercial papers and zero coupon debentures for which the discounting charges paid is ₹ 22,484.46 lakhs and premium charges paid of ₹ Nil respectively on the repayment date is shown in the finance cost in cash flow statements.

(₹ 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	(286,84.38)	-	1,34.12	8049,37.43
Borrowings (Other than debt securities)	21098,90.94	(2477,53.46)	52,83.85	21,68.04	18695,89.37
Subordinated liabilities	1654,93.19	(154,45.00)	-	7.63	1500,55.82
Total	**31088,71.82**	**(2918,82.84)**	**52,83.85**	**23,09.79**	**28245,82.62**

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

42. Maturity Analysis of Assets and Liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled

(₹ in lakhs)

	Particulars	As at March 31,2023			As at March 31,2022		
		Current	Non current	Total	Current	Non current	Total
I	**ASSETS**						
1	**Financial assets**						
	(a) Cash and cash equivalents	3227,01.92	-	3227,01.92	2498,96.81	-	2498,96.81
	(b) Bank Balance other than cash and cash equivalents	8,23.14	53,18.77	61,41.91	70,29.86	363,92.70	434,22.56
	(c) Derivative financial instruments	-	96,99.07	96,99.07	69,12.45	18,51.68	87,64.13
	(d) Receivables						
	i. Trade receivables	29,97.01	-	29,97.01	30,07.18	-	30,07.18
	ii. Other receivables	2,37.54	-	2,37.54	5,26.82	-	5,26.82
	(e) Loans	17463,41.81	6292,91.41	23756,33.22	19470,94.53	8732,84.13	28203,78.66
	(f) Investments	326,08.08	1114,69.29	1440,77.37	586,02.76	661,27.75	1247,30.51
	(g) Other financial assets	766,45.27	29,66.79	796,12.06	592,30.91	89,66.13	681,97.04
2	**Non-financial assets**						
	(a) Current tax assets (net)	-	205,34.70	205,34.70	-	157,20.72	157,20.72
	(b) Deferred tax assets (net)	-	219,54.00	219,54.00	-	191,94.87	191,94.87
	(c) Property, plant and equipment	-	200,33.12	200,33.12	-	209,52.10	209,52.10
	(d) Capital work-in-progress	-	-	-	-	-	-
	(e) Other intangible assets	-	2,24.14	2,24.14	-	3,21.62	3,21.62
	(f) Other non-financial assets	113,16.57	19,66.94	132,83.51	93,76.87	22,68.05	116,44.92
3	**Assets held for sale**	170,63.56	-	170,63.56	426,50.37	-	426,50.37
	Total assets	**22107,34.90**	**8234,58.23**	**30341,93.13**	**23843,28.56**	**10450,79.75**	**34294,08.31**
	II LIABILITIES						
1	**Financial liabilities**						
	(a) Derivative financial instruments	-	14,86.64	14,86.64	-	19,79.51	19,79.51
	(b) Payables						
	i. Trade payables						
	- total outstanding dues of micro enterprises and small enterprises	10,67.67	-	10,67.67	8,87.68	-	8,87.68
	- total outstanding dues of creditors other than micro enterprises and small enterprises	193,51.93	-	193,51.93	160,57.90	-	160,57.90
	ii. Other payables						
	- total outstanding dues of micro enterprises and small enterprises						
	Other payables	104,34.94	-	104,34.94	124,32.42	-	124,32.42
	(c) Debt securities	4255,02.90	1964,07.68	6219,10.58	5841,02.43	2208,35.00	8049,37.43
	(d) Borrowings (Other than debt securities)	8208,81.73	8909,44.74	17118,26.47	8909,85.73	9786,03.64	18695,89.37
	(e) Subordinated liabilities	229,80.77	1081,86.46	1311,67.23	190,04.74	1310,51.08	1500,55.82
	(f) Other financials liabilities	696,20.26	88,25.12	784,45.38	688,73.24	82,23.42	770,96.66
2	**Non-financial liabilities**						
	(a) Current tax liabilities (net)	,3.02	-	3.02	53.31	-	53.31
	(b) Provisions	14,65.12	76,80.09	91,45.21	15,40.65	79,48.80	94,89.45
	(c) Other non-financial liabilities	63,42.12	-	63,42.12	68,97.06	-	68,97.06
	Total liabilities	**13776,50.46**	**12135,30.73**	**25911,81.19**	**16008,35.16**	**13486,41.45**	**29494,76.61**
	Net	**8330,84.44**	**(3900,72.50)**	**4430,11.94**	**7834,93.40**	**(3035,61.70)**	**4799,31.70**

43. Financial risk management

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

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

(A) Credit Risk

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

-operating activities, primarily loans arising from financing activities;

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

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, time deposits with banks, loans arising from financing activities, Investment in debt instruments, derivative instruments 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, 2023, 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, 2023 was ₹ 151,96.46 lakhs lakhs (March 31, 2022: ₹ 147,06.23 lakhs).

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

The Company makes allowances for losses on its portfolio of loans on the basis of expected future collection from receivables. The future collection are estimated on the basis of past collection trend which are adjusted for changes in current circumstances as well as expected changes in collection on account of future with respect to certain macro economic factor. The Company’s impairment assessment and measurement approach is set out in Note 3(xv) - Accounting policies.

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Notes forming part of the financial statements for the year ended March 31, 2023

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 loss allowance	Loans (Gross)	Impairment loss allowance	Loans (Gross)	Impairment loss allowance	Loans (Gross)	Impairment loss allowance
As at 31st March 2022	**21014,58.26**	**77,92.78**	**5750,44.16**	**185,34.04**	**3056,81.38**	**1354,78.31**	**29821,83.80**	**1618,05.14**
Transfers during the year								
Transfer to Stage-1	1716,04.53	98,42.56	(1564,64.87)	(40,97.52)	(151,39.66)	(57,45.04)	-	-
Transfer to Stage-2	(1504,33.18)	(8,04.36)	1542,13.02	23,47.05	(37,79.84)	(15,42.69)	-	-
Transfer to Stage-3	(405,80.80)	(2,57.76)	(1052,49.24)	(38,09.84)	1458,30.04	40,67.60	-	-
	(194,09.45)	**87,80.44**	**(1075,01.09)**	**(55,60.31)**	**1269,10.56**	**(32,20.13)**	**-**	**-**
Impact of change in credit risk on account of stage movement	-	(65,93.18)	-	68,00.89	-	1705,85.90	-	1707,93.61
Changes in Opening Credit Exposure	(11419,05.80)	(4,44.87)	(2615,83.48)	(70,59.04)	125,34.25	34,65.57	(13909,55.03)	(40,38.34)
New Credit Exposure during the year (net of repayments)	10998,18.69	62,95.50	171,53.07	11,25.67	51,73.37	17,59.09	11221,45.13	91,80.26
Amount Written off During the year	-	-	-	-	(1628,20.14)	(1628,20.14)	(1628,20.14)	(1628,20.14)
As at 31st March 2023	**20399,61.70**	**158,30.67**	**2231,12.66**	**138,41.25**	**2874,79.42**	**1452,48.60**	**25505,53.76**	**1749,20.53**

Particulars	Stage-1		Stage-2		Stage-3		Total	
	Loans (Gross)	Impairment loss allowance	Loans (Gross)	Impairment loss allowance	Loans (Gross)	Impairment loss allowance	Loans (Gross)	Impairment loss allowance
As at 31st March 2021	**23284,92.64**	**128,44.60**	**6174,22.66**	**494,43.75**	**1737,82.13**	**525,38.34**	**31196,97.43**	**1148,26.70**
Transfers during the year								
Transfer to Stage-1	890,47.97	56,65.94	(840,08.26)	(44,07.62)	(50,39.71)	(12,58.32)	-	-
Transfer to Stage-2	(2929,21.10)	(20,23.36)	2955,71.78	28,03.82	(26,50.68)	(7,80.46)	-	-
Transfer to Stage-3	(531,91.90)	(5,30.22)	(1049,10.06)	(127,90.81)	1581,01.96	133,21.03	-	-
	(2570,65.02)	**31,12.36**	**1066,53.46**	**(143,94.61)**	**1504,11.57**	**112,82.25**	**-**	**-**
Impact of change in credit risk on account of stage movement	-	(96,15.47)	-	(46,38.83)	-	1409,46.03	-	1266,91.74
Changes in Opening Credit Exposure	(14161,59.99)	(28,80.25)	(2622,32.39)	(167,20.96)	(167,06.25)	(316,71.25)	(16950,98.64)	(512,72.46)
New Credit Exposure during the year (net of repayments)	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 year	-	-	-	-	(708,86.76)	(708,86.76)	(708,86.76)	(708,86.76)
As at 31st March 2022	**21014,58.26**	**77,92.78**	**5750,44.16**	**185,34.04**	**3056,81.38**	**1354,78.31**	**29821,83.80**	**1618,05.14**

(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, 2023:

(₹ in lakhs)

Particulars	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	17118,26.47	9277,45.75	5410,75.17	4353,66.87	-	19041,87.79
Trade and other payables	308,54.54	308,54.54	-	-	-	308,54.54
Debt securities	6219,10.58	4342,64.61	1285,33.83	966,31.64	-	6594,30.08
Subordinated liabilities	1311,67.23	339,97.99	379,68.98	480,18.13	603,27.67	1803,12.77
Lease liabilities	82,49.64	19,82.30	19,59.47	44,17.59	20,78.92	104,38.28
Other financial liabilities (other than lease liabilities)	701,95.74	688,65.99	1,75.01	7,90.24		698,31.24
Derivatives						
Derivative contracts	14,86.64	-	1,486.64	-	-	14,86.64
Total	**25756,90.82**	**14977,11.18**	**7111,99.12**	**5852,24.47**	**624,06.59**	**28565,41.34**

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)

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total contractual cash flows
Collateralized debt obligations	74,87.24	74,87.24	-	-	**74,87.24**

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

(₹ in lakhs)

Particulars	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	18695,89.37	9890,79.43	6255,01.78	4173,66.72	-	20319,47.93
Trade and other payables	293,78.00	293,78.00	-	-	-	293,78.00
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	698,87.57	698,87.57	-	-	-	698,87.57
Derivatives						
Derivative contracts	19,79.51	-	-	19,79.51	-	19,79.51
Total	**29330,36.79**	**17450,69.23**	**7703,47.67**	**6081,74.61**	**913,42.51**	**32149,34.01**

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)

Particulars	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

(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 2023	As at March 31 2022
Non derivative Financial Liabilities		
Variable rate borrowings*	15309,19.25	15764,22.50

* 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 ₹ 153,09.19 lakhs and ₹ 157,64.22 lakhs on income for the year ended March 31, 2023 and March 31, 2022 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, 2023 and March 31, 2022 was ₹ 310,44.80 lakhs and ₹ 318,90.47 lakhs respectively.

(₹ in lakhs)

Particulars	Impact on profit for the year		Impact on other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Equity price Sensitivity				
Increase in equity price by 10 %*	18,04.83	17,51.12	12,99.65	14,37.92
Decrease in equity price by 10 %*	(18,04.83)	(17,51.12)	(12,99.65)	(14,37.92)

(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 2023**	**As at March 31 2022**
CRAR (%) *	24.00%	18.46%
CRAR - Tier I capital (%)	13.14%	10.88%
CRAR - Tier II capital (%)	10.86%	7.58%

*The above ratios have been computed in accordance with the guidelines issued by RBI.

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.

44. 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, 2023**		**As at March 31, 2022**	
	Carrying amount of asset sold	**Carrying amount of associated liabilities**	**Carrying amount of asset sold**	**Carrying amount of associated liabilities**
Loans	106,90.83	74,87.24	1246,48.08	1181,71.75

Net of provision of ₹ 2,60.36 lakhs and ₹ 23,94.55 lakhs as at March 31, 2023, and March 31, 2022 respectively.

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.

46.

Other disclosures

1 No penalties were imposed by RBI and other regulators during the financial year 2022-23. (financial year 2021-22: Nil)
2 The Company does not have any exposure in real estate sector during the financial year 2022-23. (financial year 2021-22: Nil)
3 The Company has not exceeded the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2022-23. (financial year 2021-22: 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 2022-23 except as disclosed in Statement of Changes in
6 The Company has not sold any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year 2022-23.
7 The Company has not purchased any non-performing financial assets during the financial year 2022-23. (financial year 2021-22: Nil)
8 The Company does not have any exceptional items of income and expenditure during the financial year 2022-23. (financial year 2021-22: Nil)
9 The Company does not have any divergence in provisioning and gross NPA reported by company and assessed by RBI in inspection report for FY 21-22.
10 No modified opinion(s) or other reservation(s) has been mentioned in the audit report or limited review report in respect of the financial results of any previous financial year or quarter which has an impact on the profit or loss of the reportable period.
11 **Overseas assets (for those with joint ventures and subsidiaries abroad)**
The Company does not have any joint venture or subsidiary abroad, hence not applicable.
12 **Unsecured advances**
As at March 31, 2023, the amount of unsecured advances stood at Rs.363,30.91 Lakhs (March 31, 2022: Rs. 789,20.38 Lakhs).
The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

47 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, 2023 and as at March 31, 2022, 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, 2023 and Nil at March 31, 2022.

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 FY2023 and FY2022, 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, 2023 and at March 31, 2022, 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. There are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year ended March 31, 2023 and March 31, 2022 in the tax assessments under the Income Tax Act, 1961.

m. The Company has not traded/invested in crypto currency or virtual currency for the year ended March 31, 2023 and March 31, 2022.

48. 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, 2023

(₹ in lakhs)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during six month ended 31st March 2023	Of (A) amount written off during six month ended 31st March 2023	Of (A) amount paid by the borrowers during six month ended 31st March 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2023
Personal Loans	155,56.70	2,833.86	272.37	2,926.20	95,24.27
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	1548,55.32	32,871.26	8,196.59	50,657.94	631,29.53
Total	**1704,12.02**	**35,705.12**	**8,468.96**	**53,584.14**	**726,53.80**

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

49. The Company transfer standard loans through Direct Assignment route. Following table provide the details of loan transferred during the year ended 31.03.2023.

(₹ in lakhs)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
Number of transactions	8	13
Number of loans assigned	20,461	49,963
Aggregate principal outstanding amount of loans assigned *	3,01,248	4331,80
Sale consideration	2,71,123	3898,62
Weighted average residual maturity (months)	44	39
Weighted average holding period (months)	10	13
Retention of beneficial economic interest	301,25.00	433,18
Tangible security coverage	100%	100%
Rating wise distribution of rated loans assigned	NA	NA
Number of instances (transactions) of replacing the transferred loans	NA	NA
Number of transferred loans replaced	NA	NA

* Indicates 100% principal outstanding amount as on loan assignment date
**Excluding deal under co-lending arrangement of ₹ 113,03.00 Lakhs (Bank contribution is ₹ 90,43.00 Lakhs)

50. 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, 2023 assets held for sale amounted to ₹ 170,63.56 lakhs (as at March 31, 2022 ₹426,50.37 lakhs). The Company expects to dispose off these assets in open market within next 1 year.

51. 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 ₹ 20.70 lakhs during year ended March 31, 2023 (during the year ended March 31, 2022 ₹ 1,38.71 lakhs) vide form FMR 1.

52. Unhedged foreign currency exposure

There is no UFCE as on March 31, 2023. The Company in past has issued ECBs which are fully hedged as per Risk Management Policy.

53. Breach of Covenant

There is no breach of covenant for any borrowings undertaken by the Company.

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

Tirtharaj Khot
Partner
Membership No. 037457

Place: Mumbai
Date: April 28, 2023

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

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Date: April 28, 2023

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 Officer

Vinay Lavannis
Company Secretary
Membership No:-A7911

Place: Mumbai
Date: April 28, 2023

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)

Schedule to the Balance Sheet as at March 31, 2023 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)

Liabilities side: (₹ in lakhs)

1	**Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid:**	**Amount outstanding**	**Amount overdue**
(a)	Debentures		
	: Secured (Note-1)	1132,95.34	-
	: Unsecured	3340,15.11	-
	(other than falling within the meaning of public deposits)		
(b)	Deferred Credits	-	-
(c)	Term Loans	15338,03.18	-
(d)	Inter-corporate loans and borrowings	300,00.00	-
(e)	Commercial Papers (Note-2)	3256,07.45	-
(f)	Other Loans		
	- Working capital demand loan (secured)	1345,00.00	-
	- Working capital demand loan (unsecured)	-	
	- Cash Credit from banks	74,98.01	-
	- Collateral Debt Obligation	75,16.72	-

Assets Side : (₹ in lakhs)

2	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**	**Amount Outstanding**
(a)	Secured	25142,22.84
(b)	Unsecured	363,30.91

(₹ in lakhs)

3	**Break up of Leased Assets and stock on hire and other assets towards AFC activities**		**Amount Outstanding**
(i)	Lease assets including lease rentals under sundry debtors :		
	(a)	Financial lease	81,54.50
	(b)	Operating lease	8,44.52
(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	131,01.89
	(b)	Loans other than (a) above	25374,51.86

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Schedule to the Balance Sheet as at March 31, 2023 of a non-deposit taking non-banking financial Company

(₹ in lakhs)

(4) Break-up of Investments:			**Amount Outstanding**
Current Investments:			
1	**Quoted :**		
	(i)	Shares : (a) Equity	-
		(b) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	207,12.67
	(iv)	Government Securities	118,95.41
	(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	72,39.82
		(b) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	797,45.15
	(v)	Others	-
2	**Unquoted:**		
	(i)	Shares : (a) Equity	238,04.98
		(b) Preference	1,90.00
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others	4,89.34
			-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above : (₹ in lakhs)

Category			**Amount net of provisions**		
			Secured	**Unsecured**	**Total**
1	Related Parties				
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	10.31	-	10.31
	(c)	Other related parties	-	-	-
2	Other than Related Parties		23392,65.35	363,57.56	23756,22.91
		Total	**23392,75.66**	**363,57.56**	**23756,33.22**

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)
Schedule to the Balance Sheet as at March 31, 2023 of a non-deposit taking non-banking financial Company

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in lakhs)

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	309,07.69	309,07.69
	(c)	Other related parties	-	-
2	Other than Related Parties			
	Quoted			
	Investment in Equity Shares		3,27.11	3,27.11
	Unquoted			
	Investment in NCDs		-	-
	Investment in Senior Pass Through Certificates		-	-
	Investment in Units of Mutual fund		207,12.67	207,12.67
	Others		921,29.90	921,29.90
	Total		1440,77.37	1440,77.38

(7) Other information

Particulars			
(i)	Gross Non-Performing Assets		
	(a)	Related parties	-
	(b)	Other than related parties	2877,61.22
(ii)	Net Non-Performing Assets		
	(a)	Related parties	-
	(b)	Other than related parties	1422,74.59
(iii)	Assets acquired in satisfaction of debt		-

Note 1: Includes Zero coupon debentures of ₹ 1004,78.50 lakhs, net of unamortised premium on redemption and unamortised borrowing cost of ₹ 270,26.22 lakhs.

Note 2: Commercial Paper of ₹ 3256,07.45 lakhs are net of unamortised discounting charges and unamortised borrowing cost amounting to ₹ 130,92.55 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
Membership No:-A7911