



Details of ongoing adjudication and recovery proceedings, prosecution and other enforcement action initiated and/or taken by statutory/government and/or regulatory authorities and bodies against the Applicant Companies

Transferor Company ("Tata Motors Finance Limited ('TMFL')")

I. Income Tax

- i. The Transferor Company has ongoing disputes with the income tax authorities relating to multiple issues of disallowances on completion of assessment proceedings under the Income-tax Act, 1961, such as claim of depreciation on goodwill, disallowance on account of Income Computation and Disclosure Standards adjustments, disallowance of business loss to the extent of 'Provision for Leave encashment' u/s. 43B of the Act and short credit of Tax deducted at Source. These matters are pending before the Commissioner of Income Tax (Appeals).
- ii. As at July 31, 2024, the tax (excluding interest) in respect of disputes pending in appeal amounted to Rs. 2.84 crore (As on March 31, 2024- Rs. 2.84 crore).
- iii. The details of significant disputes are as below:
 - a. Disallowance of depreciation on Goodwill acquired as part of business under slump sale u/s 32(1) of the Act resulting in tax impact of Rs.2.65 crores.
 - b. Other disallowances / additions under various sections of the Income-tax Act, 1961, resulting in tax impact of Rs. 0.19 crores.
- iv. As at July 31, 2024, the demands outstanding under the Income tax act is Rs. 0.001 crores (March 31, 2024: Rs. 0.001 crores).

II. Indirect Tax (VAT & GST)

- i. As at July 31, 2024, the tax (including interest and penalty) in respect of disputes pending in appeal amounted to Rs. 65.97 crore (As on March 31, 2024 - Rs. 26.36 crore).
The detail of significant dispute is as below:
 - a. Demand raised on exempt income for various states for financial year 2017-18 and 2018-19 amounting to Rs. 19.32 crores
 - b. Disallowance of input tax credit due to non-reflection of input tax credit against Company's GSTIN for various States for financial year 2017-18 and 2018-19 amounting to Rs. 15.16 crores
- ii. Other than above, as at July 31, 2024, the demands outstanding (including interest and penalty) under the various State Value Added Tax / Central Sales Tax Act is Rs. 73.46 Cr (March 31, 2024 – Rs. 73.46 crores) and GST Acts is Rs. 63.51 crores (March 31, 2024: Rs. 4.68 crores).

III. Other proceedings :

- i. Criminal Case against Managing Director : One Hindustan Trailers and Implements Limited (the Customer) had taken a loan from TMFL for purchase of Tata Hitachi Poclaine machine and the loan amount was Rs.35,90,000/- which was to be repaid by 35 instalments out of which Customer had paid 24 loan instalments. Customer entered into an agreement with one M. Sreenivasulu with a condition to repay rest 11 instalments. In the meantime said loan account was taken over by Tata Capital

TATA MOTORS FINANCE LIMITED
(Formerly Tata Motors Finance Solutions Limited)

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Limited (TCL) and the cheque issued by M. Sreenivasulu on behalf of customer was dishonoured. As a result it appears that TCL initiated a case under section 138 of Negotiable Instrument Act, against the said M. Sreenivasulu and Hindustan Trailers and Implements was made party to the said proceedings. Hence, the Customer being an aggrieved party to section 138 proceedings pointed out to the court that, he has already handed over the asset to M. Sreenivasulu and the balance loan amount agreed to be paid by M. Sreenivasulu Despite this position the Customer has been purposely made party to section 138 proceedings. After noting this the matter was referred by the court to Lok Adalat for settlement and the settlement was done and matter was disposed off.

Subsequently, the customer lodged a private complaint at Principal Junior Civil Judge-cum- Judicial Magistrate of First Class, Ananthapuram bearing C.C. No. 541 of 2018 against MD and Branch Manager of TMFL. The main allegation was that despite the transfer of the loan to M. Sreenivasulu, section 138 case was filed against the Customer. The Magistrate Court issued summons against officials of TMFL including the Managing Director. Aggrieved by this order of issuing summons, a Quashing application under section 482 of Cr. P.C. before High Court of Andhra Pradesh was filed by TMFL on behalf of the M.D. and other officials. The said proceeding is pending and sub judice before High Court of Andhra Pradesh and the Hon'ble High Court has granted stay on the proceedings of Principal Junior Civil Judge-cum- Judicial Magistrate of First Class. The copy of the order is yet to be uploaded on high court's website.

- ii. Case against the State : Section 57B of the Bihar Prohibition and Excise Act, 2016 provides that any vehicle which is carrying illicit liquor, can be confiscated by government authority and later on the same can be released to the owner upon payment of prescribed penalty. If the owner fails to pay the penalty prescribed in the Act, the excise department / Collector can sell the vehicle for non-compliance of the order of penalty. Since, various vehicles which were financed by TMFL and as the same were hypothecated in favour of TMFL, TMFL has challenged this provision of section 57B on the ground that financier has a specific charge on the financed vehicles. Due to this provision of section 57B the rights of the financier are being jeopardised and the asset which is a security for the loan given, are being confiscated and sold by excise department without giving appropriate hearing and without recognising claim of the financier in respect of the asset. TMFL has challenged this provision vide Civil Writ Case No. 1288 of 2023 before the Hon'ble Patna High Court and the matter has been kept sine-die by the last order dated 19.04.2023 as the Hon'ble Court has observed that the same issue is sub-judice before the Hon'ble Apex Court.

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- iii. SLP (CC) No. 1237 of 2016, Fullerton India Credit Company Limited & Others (Petitioners) versus State of Maharashtra & Others (Respondents) - Special Leave Petition is pending before Hon'ble Supreme Court, in respect of stamp duty issue, wherein TMFL is one of the petitioners. The gravamen of the challenge in these matters is to the impugned amendments to the Maharashtra Stamp Act, 1958 vide Sections 10D and 30A, imposing unreasonable and impracticable duties/obligations on the Banks and Financial Institutions. Presently tentative date of hearing of the captioned SLP is 02.09.2024 as per website of the Supreme Court. At the hearing of the matter on 12.02.2019, the State submitted that they would need more time to address the software issue. However, post that, the matter has not been simpliciter adjourned on 3 occasions in view of adjournment letters circulated by either of the parties.

For Tata Motors Finance Limited
(Formerly Tata Motors Finance Solutions Limited)

Vinay Lavannis
Company Secretary
Membership No. A7911



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