

TMF BUSINESS SERVICES LIMITED
(FORMERLY TATA MOTORS FINANCE LIMITED)

A Tata Enterprise

ANNUAL REPORT

MARCH 31, 2024

BOARD OF DIRECTORS

Mr. Nasser Munjee,
Independent Director & Chairman

Mrs. Vedika Bhandarkar,
Independent Director

Mr. P. S. Jayakumar,
Independent Director
(Stepped down w.e.f. July 09, 2023)

Mrs. Varsha Purandare,
Independent Director

Mr. N. V. Sivakumar,
Independent Director
(Appointed w.e.f. November 07, 2023)

Mr. P. B. Balaji,
Non-Executive Director

Mr. Shyam Mani,
Non-Executive Director
(Retired w.e.f. August 01, 2023)

Mr. Dhiman Gupta,
Non-Executive Director

Mr. Samrat Gupta,
Managing director & CEO
(Resigned w.e.f. June 30, 2023)

MANAGER & KMP

Mr. Vinu Nair

CHIEF FINANCIAL OFFICER

Mr. Uday Uchil

COMPANY SECRETARY

Mr. Neeraj Dwivedi

STATUTORY AUDITORS

M/s Sharp & Tannan Associates, Chartered Accountants

CORPORATE IDENTIFICATION 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

TMF Business Services Limited
(Formerly Tata Motors Finance Limited),
I-Think Lodha Techno Campus,
Building A, 2nd Floor,
Off Pokharan Road 2,
Thane (West)- 400601
Tel: +91 22 6107 0520
Fax: +91 22 6181 5700

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West),-Mumbai-400083
Website: www.linkintime.co.in / E-mail Id: prakash.sampat@linkintime.co.in
Tel: +91 22 6656 8484, Fax: +91 22 6656 8494

BANKERS

Canara Bank

DEPOSITORIES

Central Depository (Services)
Limited
National Securities Depository Limited

TMF BUSINESS SERVICES LIMITED
(FORMERLY TATA MOTORS FINANCE LIMITED)

A Tata Enterprise

DIRECTORS' REPORT
MARCH 31, 2024

To,
THE MEMBERS
TMF BUSINESS SERVICES LIMITED
(FORMERLY TATA MOTORS FINANCE LIMITED)

The Directors feel privileged to present the 35th Annual Report on the business and operations of the Company and the statement of accounts for the year ended March 31, 2024.

1. BACKGROUND

TMF Business Services Limited (Formerly Tata Motors Finance Limited) (hereinafter referred as 'TMFBSL' or 'Company') is a subsidiary Company of TMF Holdings Limited, a Core Investment Company. The Company was 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). During the year, the Company has surrendered its NBFC license and the request was accepted by the RBI vide its letter dated on September 28, 2023.

2. ECONOMIC AND INDUSTRY OVERVIEW

Economic Overview:

The global economy exhibits resilience and is likely to maintain its steady growth. IMF expects global growth rate of around 3.2% for both 2024 as well as 2025. Core inflation, supported by favourable baseline effects, is being projected to gradually decline. Stubborn services prices however continue to keep it elevated. Aggregate growth in advanced economies was resilient for most of last year, slowing less than previously expected. IMF estimates emerging economies to grow at a steady rate. Impact of decelerating activity in China is expected to be offset by firming aggregate growth elsewhere, like improving domestic demand in many countries as well as a pickup in international trade.

Indian economy is experiencing a strong momentum. As per the second advance estimates, real GDP expanded at 7.6% in FY24 on the back of buoyant domestic demand. Growth is expected to moderate to 6.2% - 6.5% in FY25 in account of various transient factors. ICRA projects a shallow rate cut cycle rate cut cycle – limited to 50 bps at best, commencing in the Oct-24, with a possible stance change in the preceding review. It is expected that while the targeted fiscal deficit of Rs. 16.9 trillion for FY25 is unlikely to be overshot, the target of 5.1% of GDP may get surpassed mildly. Further, a dip in Government borrowings programme coupled with bond index inclusion, will dampen G-sec yields in the near term. Rupee ended the year at Rs 83.37 per USD (Mar-23 exit: Rs 82.22) and is expected to trade between 82.5-83.5 mark over the next couple of quarters. Forex reserves stood at about USD 646 bn as at the year end. RBI has indicated in the recent bi-monthly monetary policy exercise that, going forward, food price uncertainties would continue to weigh on the inflation outlook. An expected record rabi wheat production in FY24, however, will help contain cereal prices. Early indications of a normal monsoon also augur well for the kharif season. On the other hand, the increasing incidence of climate shocks remains a key upside risk to food prices.

Automotive Industry overview:

The automotive industry is gaining traction as vehicle manufacturing increases. Increasing corporate interest in tapping into rural markets has been instrumental in driving the expansion of the sector. Surge in logistics and passenger transportation sectors is driving the CV demand. As far as PV segment is concerned, rise in disposable income in the hands of middle-income group has pushed India towards consumption fuelled economic expansion, in turn, has had a favourable impact on the increasing demand for automobiles. The country stands as a notable player in automotive exports, with robust growth prospects anticipated in the coming years. Moreover, various government initiatives like the Automotive Mission Plan 2026, Scrappage Policy, and PLI schemes are poised to elevate India's status to a key global leader in the sector. Auto industry in India is projected to grow at a CAGR of 8.20% between FY24 and FY29. Prospective market growth is expected to be fuelled by emerging trends such as the adoption of EVs and hybrid models. However, the primary challenge for the industry is regulatory compliance and adherence to stringent emissions standards.

ICRA research expects the domestic CV segment's sharp up-cycle to plateau in FY25, with a decline of up to 7% in volumes, given the high base line effect and the impact of the General Elections on infrastructure activities in the first few months of the fiscal year. Sustained slow-down in e-commerce and cannibalisation from e3Ws has a bearing on LCVs. In the long run, demand prospects for domestic CV industry remain contingent on a range of factors, such as the Government's push towards infrastructure spending, monsoon conditions and its impact on the rural economy, government initiatives etc. Domestic wholesale and retail PV volumes closed the financial year on an all-time high, led by utility vehicles. Despite strong retail performance, inventory levels continue to remain high as per projections from dealers' association. With waning pent-up replacement demand, PV segment is expected to grow by 3% - 6% in FY25, aided by steady demand for utility vehicles, which is likely to bolster industry growth despite an elevated base.

Leasing Business Overview:

Leasing, in India, presents an intriguing narrative. In recent years, the sector has witnessed significant traction owing to the combination of new market players, diversification of asset classes, and increasing awareness about the benefits of leasing. The industry is on the cusp of stronger inflexion in India, driven by multiple factors that are shaping its trajectory. The entry of large OEMs, and the rise of specialised lease providers have brought in more competition, presenting it as an efficient financial tool. As businesses expand, they will require access to capital-intensive assets such as machinery, equipment, vehicles etc. Leasing provides an attractive alternative to outright purchasing, as it allows companies to use these assets without having to make significant upfront investment.

Leasing of vehicles, especially commercial vehicles, has gained significant popularity in India as it offers a cost-effective opportunity to maintain fleets without the hassles of ownership, higher upfront and recurring costs of finance. Also, operating leases for passenger vehicles have become attractive as users can return or upgrade their vehicles at the end of the lease period. As the thrust swings towards sustainable transportation options along with global attention on degrading environment, rising pollution and the

resultant global warming, EV leasing as a theme is another segment which is potentially expected to pick-up significant pace, especially as government offers multiple initiatives to promote EV adoption.

Leasing business, however, faces few challenges like gradual acceptance, tough competition, and risk management complexities to name a few. Overcoming these challenges requires a combination of local market knowledge, innovative risk management strategies, and leveraging technological advancements. On the positives, the fintech sector have streamlined the leasing processes by bringing in online platforms, digital credit assessment tools and automated documentation processes. In combination, they offer to play catalyst in improving both efficiency and accessibility. Alongside a growing economy, leasing is expected to become one of the preferred financial tools for businesses seeking agility, cost-efficiency and promising significant growth with operating leases becoming the driving force across diverse business segments. Promising and growth hungry MSMEs and start-ups which are continuously keeping an eye on their capital efficiency, will be the targeted user base for lease providers in the forthcoming time.

3. FINANCIAL RESULTS

(Figures in crore)

PARTICULARS	F.Y. 2023-24 (Rs.)	F.Y. 2022-23 (Rs.)
Total Income	55.70	3668.24
Less:		
Finance Costs	25.27	2047.17
Impairment of financial instruments and other assets	1.94	1688.52
Employee benefits expenses	0.75	303.92
Other expenses	6.77	610.58
Depreciation / Amortization	37.66	56.80
Profit Before Exceptional Item	(16.69)	(1038.75)
Exceptional item	-	-
Profit Before Tax	(16.69)	(1038.75)
Less: Tax Expense	(5.91)	(5.56)
Profit After Tax	(10.78)	(1033.19)
Other comprehensive income forming part of Retained earnings	0.00	5.23
Total comprehensive income for the year	(10.78)	(1027.96)
Balance brought forward from previous year (distributable)	(983.62)	176.82
Amount Available for Appropriations	(994.40)	(851.14)
Appropriations		
Statutory Reserve	-	-
Dividend on equity shares	-	-
Dividend on preference shares (non-cumulative)	-	-
Distributions made to holders of Instruments entirely equity in nature (net of taxes)	-	132.48
Transferred pursuant to scheme of demerger	968.50	-

Adjustment pursuant to scheme of demerger and Reduction of share capital	15.12	-
Issuance expenses for instruments entirely equity in nature (net of taxes)	-	-
Surplus carried to Balance Sheet	(10.78)	(983.62)

4. DIVIDEND

The Company has not declared any dividend 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 has not transferred any amount to reserves.

6. OPERATIONS

The Company is a public limited Company incorporated and domiciled in India with registered office in Mumbai, India. The Company was previously registered as a NBFC NDSI under RBI's regulations. After the demerger scheme came into effect from June 30, 2023, the Company has surrendered its NBFC licence. The Company continues as a subsidiary of TMF Holdings Limited. During the year, the Company recorded a total income of Rs. 55.71 crore and loss before tax of Rs.16.69 crore. Loss after tax for the year came at Rs 10.78 crores.

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 2023-24, the Company met its funding requirements through short term debt (Inter – Corporate Deposits (“ICDs”). The total borrowings as of March 31, 2024 stood at Rs. 269.00 crore comprising mainly of Inter-Corporate Deposits.

The Debt / Equity ratio as on March 31, 2024 was 9.85 times.

9. CREDIT RATING

Pursuant to the scheme of Demerger approved by Hon'ble NCLT, the Credit rating agency ICRA, CRISIL and CARE have withdrawn its rating on the long-term and short term debt instruments and long term/Short Term bank facilities of the Company which have been transferred to Tata Motors Finance Limited (TMFL) (Formerly Tata Motors Finance Solutions Limited).

CRISIL has assigned fresh rating of 'CRISIL AA/ CRISIL A1+' for Long Term / Short Term Bank Facilities, while reaffirming the outlook at 'Stable'; the rating for Commercial Papers has been assigned at 'CRISIL A1+'. Subsequently CRISIL has revised its outlook on the rating from "Stable" to "Positive" for Long Term Bank Facilities, while reaffirming the rating at 'CRISIL AA'; the rating for Commercial Papers have been reaffirmed at 'CRISIL A1+'.

CARE has assigned fresh rating of 'CARE AA/CARE A1+' for Long Term / Short Term Bank Facilities, while reaffirming the outlook at 'Stable'; the rating for Commercial Papers has been assigned at 'CARE A1+'. Subsequently rating from CARE has been upgraded to 'CARE AA+' for Long Term Bank Facilities, while reaffirming the outlook at 'Stable'; the rating for Commercial Papers/ Short Term Bank Facilities have been reaffirmed at 'CARE A1+'.

10. SHARE CAPITAL

AUTHORISED AND PAID UP SHARE CAPITAL

The Authorised Share Capital of the Company as on March 31, 2024 was Rs. 2000,00,00,000/- (Rupees Two Thousand crore) divided into 12,00,00,000 (Twelve crore) Equity Shares of Rs. 100/- each of an aggregate amount of Rs. 1200,00,00,000/- (Rupees One Thousand Two Hundred Crore) and 8,00,00,000 (Eight Crore) Preference Shares of Rs. 100/- each of an aggregate amount of Rs. 800,00,00,000/- (Rupees Eight Hundred Crore).

During the year, the Hon'ble National Company Law Tribunal (NCLT) passed the order approving the Scheme of Arrangement on May 12, 2023. The Scheme provided for demerger, transfer and vesting of the Company's demerged undertaking to Tata Motors Finance Limited (Formerly Tata Motors Finance Solutions Limited) on a going concern basis. Pursuant to the Scheme, the paid-up share capital of the Company was reduced from Rs. 979,65,96,900/- consisting of 979,65,969 equity shares of Rs. 100/- each to Rs. 37,22,70,682/- consisting of 979,65,969 equity shares of Rs. 3.80/- each.

11. NUMBER OF MEETINGS OF THE BOARD

Nine (9) meetings of the Board were held during the year under review on April 13, 2023, April 28, 2023, May 29, 2023, June 23, 2023, July 20, 2023, October 25, 2023, November 07, 2023, January 24, 2024 and March 22, 2024. The details of attendance of directors are mentioned below:

Name of the Director	(DIN)	Category	Number of Board Meetings held during FY 2023-24	Number of Board Meetings attended during FY 2023-24
Mr. Nasser Munjee (Chairman)	00010180	Independent Director	9	9

Mrs. Varsha Purandare	05288076	Independent Director	9	9
Mrs. Vedika Bhandarkar	00033808	Independent Director	9	8
Mr. P. S. Jayakumar *	01173236	Independent Director	4	4
Mr. N. V. Sivakumar **	03534101	Independent Director	3	3
Mr. P. B. Balaji	02762983	Non- Executive Director	9	8
Mr. Dhiman Gupta	09420213	Non- Executive Director	9	9
Mr. Shyam Mani #	00273598	Non- Executive Director	5	5
Mr. Samrat Gupta ##	07071479	Managing Director & CEO	4	3

* Stepped down w.e.f. July 09, 2023

** Appointed w.e.f. November 07, 2023

Retired w.e.f. August 01, 2023

Resigned w.e.f. June 30, 2023

12. COMMITTEES OF THE BOARD

As on March 31, 2024, the Company has following Committees of the Board of Directors:

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Corporate Social Responsibility Committee;
- d. Risk Management Committee (*dissolved w.e.f. November 07, 2023*)
- e. Asset Liability Supervisory Committee (*dissolved w.e.f. November 07, 2023*)
- f. Stakeholders Relationship Committee (*dissolved w.e.f. November 07, 2023*)
- g. Information Technology (IT) Strategy Committee (*dissolved w.e.f. November 07, 2023*)
- h. Lending Committee (*dissolved w.e.f. June 23, 2023*)
- i. Investment Committee (*dissolved w.e.f. July 20, 2023*)

a) Audit Committee

The Audit Committee comprises of Four members namely Mrs. Varsha Purandare (Chairperson), Mrs. Vedika Bhandarkar, Mr. N. V. Sivakumar, Independent Directors and Mr. P. B. Balaji, Non-Executive Director.

During the year, Seven (7) meetings were held on April 24, 2023, April 28, 2023, June 23, 2023, July 20, 2023, September 18, 2023, October 25, 2023 and January 24, 2024. All the recommendations

made by the Audit Committee were accepted by the Board. The composition of the Audit committee and the attendance of its members at its meetings held during FY 2023-24 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mrs. Varsha Purandare ⁱ	Independent Director (Chairperson)	7	7
Mrs. Vedika Bhandarkar	Independent Director	7	6
Mr. N. V. Sivakumar ⁱⁱ	Independent Director	1	1
Mr. P. B. Balaji	Non-Executive Director	7	6
Mr. P. S. Jayakumar ⁱⁱⁱ	Independent Director	3	3

- i. Appointed as Chairperson w.e.f. July 10, 2023
- ii. Appointed as a Member w.e.f. November 07, 2023.
- ii. Stepped down as a Chairman and Member w.e.f. July 09, 2023.

b) Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee comprises of Four (4) members namely Mrs. Vedika Bhandarkar (Chairperson), Mr. Nasser Munjee, Mrs. Varsha Purandare, Independent Directors and Mr. P. B. Balaji, Non- Executive Director.

During the year, Four (4) meetings of NRC were held on May 25, 2023, June 23, 2023, October 25, 2023 and January 24, 2024. The composition of NRC and the attendance of members at its meetings held during FY 2023-24 are given below:

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

- i. Stepped down as a Member w.e.f. July 09, 2023.
- ii. Stepped down as a Member w.e.f. August 01, 2023.

c) Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee comprises of Three (3) Members namely Mr. Nasser Munjee (Chairman), Independent Director, Mr. P. B. Balaji and Mr. Dhiman Gupta, Non- Executive Directors.

During the year, One (1) meeting of CSR Committee was held on April 13, 2023. The composition of CSR Committee and the attendance of its members at its meeting held during FY 2023-24 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Nasser Munjee	Independent Director (Chairman)	1	1
Mr. Shyam Mani ⁱ	Non- Executive Director	1	1
Mr. Samrat Gupta ⁱⁱ	Managing Director & CEO	1	1
Mr. P. B. Balaji	Non- Executive Director	-	-
Mr. Dhiman Gupta	Non- Executive Director	-	-

- i. Stepped down as a Member w.e.f. August 01, 2023
ii. Stepped down as a Member w.e.f. June 30, 2023

d) Risk Management Committee (dissolved w.e.f. November 07, 2023)

During the year, One (1) meeting of Risk Management Committee was held on June 20, 2023. The composition of the Committee and the attendance of members at its meeting held during FY 2023-24 is given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mrs. Varsha Purandare	Independent Director (Chairperson)	1	1
Mr. P. S. Jayakumar	Independent Director	1	1
Mr. P. B. Balaji	Non- Executive Director	1	1
Mr. Dhiman Gupta	Non- Executive Director	1	1
Mr. Samrat Gupta ⁱ	Managing Director & CEO	1	1
Mr. Shyam Mani ⁱⁱ	Non- Executive Director	1	1

- i. Stepped down w.e.f. June 30, 2023
ii. Stepped down w.e.f. August 01, 2023

Consequent to Demerger and surrender of NBFC License to RBI, the Company did not fall under purview of compliances for SEBI Listing Regulations and RBI guidelines. Accordingly, this Committee was dissolved w.e.f. November 07, 2023.

e) Asset Liability Supervisory Committee (ALCO) (dissolved w.e.f. November 07, 2023)

During the year, Two (2) meetings of the ALCO were held on June 20, 2023 and September 20, 2023. The composition of the Committee and the attendance of members at its meeting held during FY 2023-24 are given below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Samrat Gupta ⁱ	Managing Director & CEO (Chairman)	2	1
Mr. Dhiman Gupta	Non- Executive Director	2	2
Ms. Ridhi Gangar	Chief Financial Officer	2	2
Mr. Neeloy Majumder	Chief Digital & Marketing Officer	2	2
Mr. Rohit Sarda	Chief Collections & Credit Officer	2	2
Mr. Amit Mittal	Chief Risk Officer	2	2
Mr. Rohit Kumar	Head Treasury	2	2

i. Stepped down w.e.f. June 30, 2023

Consequent to Demerger and surrender of NBFC license to RBI, the Company did not fall under purview of RBI guidelines. Accordingly, this Committee was dissolved w.e.f. November 07, 2023.

f) Stakeholders Relationship Committee (*dissolved w.e.f. November 07, 2023*)

During the year under review and upto the date of dissolution of this Committee, the Company did not hold any meetings of the Stakeholders Relationship Committee.

Consequent to Demerger, the Company did not fall under purview of compliances for SEBI Listing Regulations and number of security holders was less than the limit as prescribed by the Companies Act, 2013. Accordingly, this Committee was dissolved w.e.f. November 07, 2023.

g) Information Technology (IT) Strategy Committee (ITSC) (*dissolved w.e.f. November 07, 2023*)

During the year, One (1) meeting of the ITSC was held on June 05, 2023. The composition of the Committee and the attendance of members at its meeting held during FY 2023-24 is given below:

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

i. Stepped down w.e.f. August 01, 2023

Consequent to Demerger and surrender of NBFC license to RBI, the Company did not fall under purview of RBI guidelines. Accordingly, this Committee was dissolved w.e.f. November 07, 2023.

h) Lending Committee (*dissolved w.e.f. June 23, 2023*)

Consequent to Demerger, the Company was not involved in the lending business. Accordingly, this Committee was dissolved w.e.f. June 23, 2023.

i) Investment Committee (*dissolved w.e.f. July 20, 2023*)

Consequent to Demerger, all investments held by the Company were transferred to Tata Motors Finance Limited (Formerly Tata Motors Finance Solutions Limited). Accordingly, this Committee was dissolved w.e.f. July 20, 2023.

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

During the year under review, the Company has not entered any transactions which is not in compliance to Section 186 of the Companies Act, 2013.

14. 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.

15. 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. The Company do not have large employee base; however it follows the best practices and policies of TMF Group uniformly.

16. COMPLIANCE & REGULATORY FRAMEWORK

The Company has complied with all applicable laws, rules, regulations, guidelines.

The Company was an RBI regulated entity categorised as 'Middle Layer' NBFC (NBFC-ML) as per the RBI's Scale Based Regulation (SBR). Pursuant to the scheme of demerger, the Company has transferred its Non-Banking Finance Company (NBFC) business to Tata Motors Finance Limited (Formerly known as Tata Motors Finance Solutions Limited) and effective September 28, 2023, the Company has surrendered its Certificate of Registration (CoR) issued by RBI and as a result it ceases to be an NBFC. Therefore, RBI related compliances are no longer applicable to the Company from the COR surrender date. The Company has ensured all the RBI compliances till date of surrender of COR.

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.

17. 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.

18. 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.

19. 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 2023-24 is available on the website of the Company- www.tmf.co.in/Investor-zone

20. ACCOUNTS AND ACCOUNTING STANDARDS

The financial statements for the year ended March 31, 2024 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").

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

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 for the previous year was Nil and the Foreign Exchange Outgo for the previous year in terms of actual outflow was Rs. 29,03,325/-

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, the first term of Mr. P. S. Jayakumar (DIN: 01173236) as an Independent Director was completed on July 09, 2023 and considering his appointment on the Board of TMFL, he was not re-appointed for second term in the Company as he was exceeding the permissible limit for Directorship in public limited companies.

As per the Tata Corporate Governance Guidelines, Mr. Shyam Mani retired as a Non- Executive Director of the Company at the Annual General Meeting held on August 01, 2023.

The Board places on record their appreciation for the valuable guidance and contribution to the Board made during their tenure as Directors of the Company.

The Company has appointed Mr. N.V. Sivakumar (DIN: 03534101) as an Independent Director of the Company w.e.f. November 07, 2023.

In accordance with the requirements of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Dhiman Gupta (DIN: 09420213), Non- Executive Director, is liable to retire by rotation at ensuing Annual General Meeting and is eligible for re -appointment.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act. There has been no change in the circumstances affecting their status as independent directors of the Company.

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 Demerger, Mr. Samrat Gupta, Managing Director & CEO, Ms. Ridhi Gangar, Chief Financial Officer and Mr. Vinay Lavannis, Company Secretary have resigned from their respective position of the Company with effect from June 30, 2023.

Accordingly, pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Vinu Nair, Manager & KMP, Mr. Uday Uchil, Chief Financial Officer and Mr. Neeraj Dwivedi, Company Secretary have been appointed with effect from July 01, 2023.

23. 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. 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 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.

24. 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.

25. INTERNAL AUDIT FUNCTION

The Company has ability to take risks and manage them efficiently is a key factor of business success. The Company 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 to 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 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. 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 through Action Taken Report (ATR).

26. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal controls for ensuring the orderly and efficient conduct of the business, including adherence to the Companies' policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Company has adopted 'Committee of Sponsoring Organizations (COSO) 2013' as its internal controls framework which covers all the essential components of internal controls as stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India and as required by the Companies Act, 2013.

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

Based on results of assessment of the design and operating effectiveness of the controls, Company has determined that Company's Internal Financial Controls were adequate and effective during the financial reporting as of March 31, 2024.

27. 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.

28. 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.

29. STATUTORY AUDITORS

The Company has appointed M/s Sharp & Tannan Associates, Chartered Accountants, (Firm Registration No.109983W) and M/s G. M. Kapadia & Co., Chartered Accountants, (Firm Registration No. 104767W) as joint Statutory Auditors of the Company from Q3 FY 21-22 who holds the office until the conclusion of the Annual General Meeting (AGM) of the Company to be held in the year 2024.

Subject to approval of members at the Annual General Meeting, the Board has recommended the re-appointment of M/s. Sharp & Tannan Associates, Chartered Accountants for a second term of one year from the conclusion of this Annual General Meeting. Further, they have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

However, upon surrender of NBFC license, the requirement of joint Statutory Auditors was not applicable to the Company, thus M/s G M Kapadia & Co, Chartered Accountants has resigned as Statutory Auditors of the Company w.e.f. November 16, 2023.

30. 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. 2023-24. The Report forms part of the Directors Report as 'Annexure- 1'.

31. 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 F.Y. 2023-24. Further, the secretarial audit report also does not contain any qualifications, reservations, or adverse remarks or disclaimer for the F.Y. 2023-24.

32. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

The Hon'ble National Company Law Tribunal (NCLT) passed the order on May 12, 2023, approving the Scheme of Arrangement between the Company and Tata Motors Finance Limited (TMFL) (Formerly Tata Motors Finance Solutions Limited) and their respective shareholders under Section 230 to 232 and other applicable provisions of the Act. The appointed date of the Scheme was April 01, 2023 and effective date was June 30, 2023.

Pursuant to the Scheme, the NBFC business and all Listed and Unlisted Securities (NCDs and CPs) of the Company were transferred to TMFL. Further, the Company has also surrendered its NBFC license and the request was accepted by the RBI vide letter dated September 28, 2023.

The name of the Company was changed from “Tata Motors Finance Limited” to “TMF Business Services Limited” with effect from August 07, 2023.

Further, the Company has amended the main object clause of MOA vide Special Resolution passed at EGM held on November 07, 2023 to remove the clause related to financial business and include the Company’s plan of offering leasing and other services.

33. RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013, 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.

34. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 and Rules framed thereunder, the Company was not eligible to spend any amount on CSR for the financial year ended March 31, 2024.

35. 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 2023-24.

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.

36. 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 in Year 2023-24. The Company continued its normal Pinnacle Program activities and strived to put in place newer dimensions of TBEM Framework. There has been changes in TBEM Criteria effected by Tata Business Excellence Group and these were understood by TMF and their implementation commenced in March 24. During the year 2023-24, TMF continued its focus of process excellence and process improvements in addition to focus in keeping abreast with enhancements of Business Excellence Framework.

37. 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 who have not registered their email address with the Depositories are requested to register the same.

38. 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
TMF BUSINESS SERVICES LIMITED
(Formerly Tata Motors Finance Limited)**

**NASSER MUNJEE
Chairman
(DIN: 00010180)**

Date: April 29, 2024

**FORM NO. MR 3
SECRETARIAL 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, 2024

**To,
The Members,
TMF BUSINESS SERVICES LIMITED
(Formerly known as 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 TMF Business Services Limited (Formerly known as 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, 2024 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, 2024 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; (Not applicable to the Company during the Audit Period)

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the Audit Period).
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. (Not applicable during the Audit Period)
- e) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI OPERATIONAL CIRCULAR SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time. (Not applicable to the Company during the Audit Period).
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (Not applicable during the Audit Period)
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the Company during the Audit Period)
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period).
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not applicable to the Company during the Audit Period).

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 (Not applicable to the Company during the Audit Period).

~~(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 Manager & KMP, 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.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Mr. N. V. Sivakumar was appointed as an Independent Director w.e.f. 07-11-2023.
- Mr. Shyam Mani ceased to be Non- Executive Director w.e.f. 01-08-2023 due to retirement.
- Mr. P. S. Jayakumar ceased as an Independent Director w.e.f. 09.07.2023.

Further, following changes in Key Managerial Personnel (KMP) took place during the period under review:

- Mr. Samrat Gupta ceased as Managing Director and CEO w.e.f. 30-06-2023 and Mr. Vinu Nair was appointed as Manager & KMP w.e.f. 01.07.2023.
- Ms. Ridhi Zaveri Gangar ceased as Chief Financial Officer (CFO) w.e.f. 30-06-2023 and Mr. Uday Uchil was appointed as CFO w.e.f. 01.07.2023.
- Mr. Vinay Lavannis ceased as Company Secretary w.e.f. 30-06-2023 and Mr. Neeraj Kumar Dwivedi was appointed as Company Secretary w.e.f. 01.07.2023.

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:

- Extra Ordinary General Meeting of the Company was held on 07th November, 2023 wherein approval of shareholders was obtained for Amendment in Main Object Clause and for regularisation of Mr. N. V. Sivakumar as an Independent Director.
- Annual General Meeting was held on 01st August, 2023 for the Financial Year 2022-2023.
- Pursuant to the Scheme of Arrangement between TMF Business Services Limited (TMFBSL) (Formerly Tata Motors Finance Limited) (Demerged Company) and Tata Motors Finance Limited (TMFL) (Formerly Tata Motors Finance Solutions Limited) (Resulting Company), order was passed by Hon'ble NCLT Mumbai Bench on 12-05-2023. The effective date of the Scheme was 30-06-2023.

Pursuant to the Scheme of Arrangement, following changes took place during the review period:

- The Company has changed its name from 'Tata Motors Finance Limited' to 'TMF Business Services Limited' as per NCLT Order, Mumbai Bench.
- Pursuant to the Scheme, the paid-up share capital of the Company was reduced from Rs. 979,65,96,900/- consisting of 979,65,969 equity shares of Rs. 100/- each to Rs. 37,22,70,682/- consisting of 979,65,969 equity shares of Rs. 3.80/- each.

c) The Company continues to be an unlisted public Company but had ceased to be a high value debt listed Company.

For SG & Associates

**Suhas Ganpule
Proprietor
Practicing Company Secretary
Membership No 12122
C. P. No 5722
UDIN: A012122F000262526**

**Date: 29.04.2024
Place: Mumbai**

Annexure 'A'

**To,
The Members,
TMF BUSINESS SERVICES LIMITED
(Formerly known as 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
UDIN: A012122F000262526**

**Date: 29.04.2024
Place: Mumbai**

TMF BUSINESS SERVICES LIMITED
(FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED)
Financial Statements for year ended March 31, 2024
Along with Independent Auditors Report

Sharp & Tannan Associates

Chartered Accountants

87 Nariman Bhavan, 227 Nariman Point
Mumbai (Bombay) 400 021, INDIA.

T: +91 22 6153 7500; 2202 2224/8857

E: .mumbai.office@sharpandtannan.com

W: www.sharpandtannan.com

INDEPENDENT AUDITOR'S REPORT

To the members of **TMF Business Services Limited** (formerly Tata Motors Finance Limited)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **TMF Business Services Limited** (formerly Tata Motors Finance Limited) (hereinafter referred as "the Company"), which comprise the balance sheet as at 31 March 2024, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year ended on that date and notes to the financial statements, including 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 financial statements give the information required by the Companies Act, 2013 (hereinafter referred as "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 (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2024, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

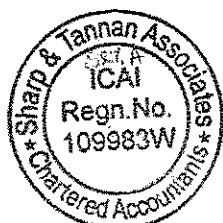
Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to note 27 to the Statement, which describes that current year figures are not comparable with previous year due to transfer NBFC business of the Company.



Also at Ahmedabad, Baroda and Pune. Associate Offices at Bengaluru, Chennai, Hyderabad, New Delhi and Panjim (Goa).

Information other than the financial statements and auditor's report thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our 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 and Board of Director's responsibilities for the financial statements

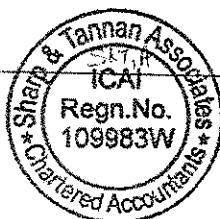
The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 financial statements.



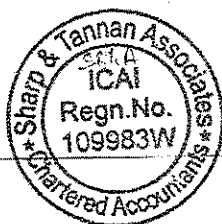
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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 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.
- E. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

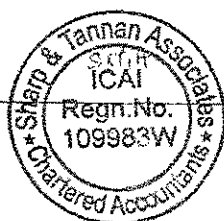
Other Matter

The financial statements include figures for the previous year ended 31 March 2023 which were audited jointly by us along with other joint auditor and expressed an unmodified audit opinion thereon vide their report dated 28 April 2023.

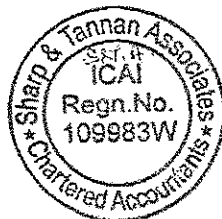
Our opinion is not modified in respect of this other matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act and based on our audit, 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 so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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 over financial reporting 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 over financial reporting;
 - g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid managerial remuneration during the year. Accordingly, reporting on the requirements of section 197(16) of the Act, as amended, is not applicable; and

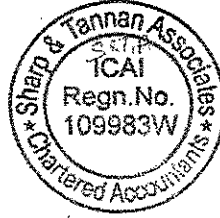


- h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - refer note 30 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.
 - iv. Reporting on rule 11(e):
 - (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 40(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. 40(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. During the previous year, the company has not declared/paid dividend. Accordingly, reporting under section 123 of the Act is not applicable.



- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration no. 109983W
Digitally signed by



Pramod Digitally signed
Ramesh by Pramod
Bhise Ramesh Bhise
 Date: 2024.04.29
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CA Pramod Bhise
Partner

Membership no.(F) 047751
UDIN: 24047751BKAAQN8462

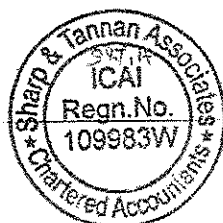
Pune, 29 April 2024

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date)

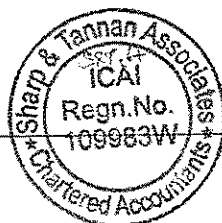
To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (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 have been physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.
- (c) As on balance sheet date, the Company does not have any immovable properties. Accordingly, reporting under paragraph 3(i)(c) of the Order is not applicable.
- (d) The Company has neither revalued its Property, Plant and Equipment (including Right of Use assets) nor 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 (45 of 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. Accordingly, reporting under paragraph 3(ii)(a) of the Order is not applicable.
(b) During the year and post transfer of NBFC business, the Company has not 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. Accordingly, reporting under paragraph 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, the reporting under paragraph 3(iii)a, 3(iii)b, 3(iii)c, 3(iii)d, 3(iii)e and 3(iii)f is not applicable.
- (iv) The Company has not granted any loans or made investments or provided any guarantees or security to the parties covered under provisions of sections 185 and 186. Accordingly, the reporting under paragraph 3(iv) is not applicable.
- (v) The Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act, and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) is not applicable.



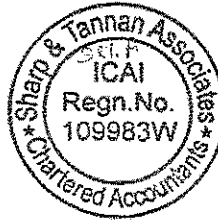
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act, for the business activities carried out by the Company. Accordingly, reporting under paragraph 3 (vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
- (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues, as applicable, to the appropriate authorities. Based on the 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) There are no disputed dues of income tax, sales tax, GST, value added taxes and any other statutory dues, as applicable as at 31st March 2024, which have not been deposited.
- (viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax act, 1961 as income during the year. Accordingly, reporting under para 3(viii) is not applicable.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, reporting under para 3(ix)(a) is not applicable.
- (b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender. Accordingly, reporting under para 3(ix)(b) is not applicable.
- (c) The Company has not availed term loans during the year. Accordingly, reporting under para 3(ix)(c) is not applicable.
- (d) As on balance sheet date the Company has Inter-Corporate Deposits (ICDs) from related party repayable on demand hence classified as short-term funds. In addition, the Company has a sanctioned facility from its Parent Company. In view of the above, 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 moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on para 3(x)(a) is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on para 3(x)(b) is not applicable.
- (xi) (a) No fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) No whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting on para 3(xii) of the order is not applicable.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details have been disclosed in the financial statements as required by the applicable IND AS.
- (xiv) (a) During the year, the Company has demerged Non-Banking Finance related business (refer note 27). Considering the above, the company has an internal audit system commensurate with the size and nature of its business.
- (b) Reports of the Internal Auditors for the period under the audit were considered by us.
- (xv) The company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting on para 3(xv) of the order is not applicable.
- (xvi) (a) During the year, the Company has voluntarily surrendered its Certificate of Registration. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities after voluntary surrender of Certificate of Registration (CoR).
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on para 3(xvi)(c) of the order is not applicable.
- (d) The Group has more than one CIC as part of the group. The Group has four CICs which are registered with the Reserve Bank of India.
- (xvii) The company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) During the year, other joint auditor resigned post demerger of NBFC business. There were no issues, objections or concerns raised by them. The resignation was on account of non-requirement of joint audit.
- (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 is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects required a transfer to a Fund specified in Schedule VII to the companies Act in compliance with second proviso to sub section (5) of section 135 of the Act. Accordingly, reporting on para 3(xx)(a) of the order is not applicable.
- (b) There is no unspent amount towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a special account in compliance with sub-section (6) of section 135 of the Act. Accordingly, reporting on para 3(xx)(b) of the order is not applicable.
- (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 **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration no. 109983W
Digitally signed by



Pramod Digitally signed
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Bhise Ramesh Bhise
Date: 2024.04.29
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CA Pramod Bhise
Partner

Membership no.(F) 047751
UDIN: 24047751BKAAGN8462

Pune, 29 April 2024

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 (F) under the heading, "Report on other legal and regulatory requirements" of our report on even date:

Report on the Internal Financial Controls

[under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")]

Opinion

We have audited the internal financial controls over financial reporting of **TMF Business Services Limited**(formerly Tata Motors Finance Limited)(hereinafter referred as "the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

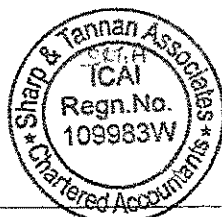
In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal financial control over financial reporting 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 (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

Managements and Board of Directors responsibility for internal financial controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

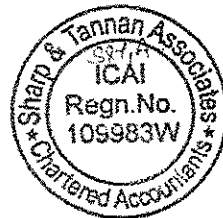
Meaning of internal financial controls over financial reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration no. 109983W
Digitally signed by



Pramod Ramesh Bhise
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Date: 2024.04.29 21:48:43 +05'30'

CA Pramod Bhise
Partner

Membership no.(F) 047751
UDIN: 24047751BKAAQN8462

Pune, 29 April 2024

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Balance Sheet as at March 31, 2024

		(₹ In lakhs)	
Particulars	Notes	As at March 31 2024	As at March 31 2023
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5	127,68.21	200,33.12
(b) Intangible assets	6	-	2,24.14
(c) Financial assets:			
(i) Investments	7	-	1114,69.29
(ii) Loans	8	-	6292,91.41
(iii) Bank balances	9	-	53,18.77
(iv) Other financial assets	10	-	126,65.86
(d) Deferred tax assets (net)	14	5,28.28	219,54.00
(e) Non-Current tax assets (net)	14	131,23.26	205,34.70
(f) Other non current assets	12	14,08.97	19,66.94
		278,28.72	8234,58.23
2 Current assets			
(a) Financial assets:			
(i) Investments	7	-	326,08.08
(ii) Loans	8	-	17463,41.81
(iii) Trade receivables	13	8,37.09	29,97.01
(iv) Cash and cash equivalents	11	3,37.60	3227,01.92
(v) Bank balances	9	99.00	8,23.14
(vi) Other financial assets	10	4,42.29	768,82.81
(b) Other current assets	12	18,09.54	113,16.57
		35,25.52	21936,71.34
3 Assets held for sale			
Total assets		313,54.24	30341,93.13
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	37,22.71	979,65.97
(b) Instruments entirely equity in nature	16A	-	1348,00.00
(c) Other equity		(9,91.62)	2102,45.97
		27,31.09	4430,11.94
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities:			
(i) Borrowings	17	-	11955,38.88
(ii) Lease Liabilities		-	68,87.40
(iii) Other financial liabilities	18	5,26.38	34,24.36
(b) Provisions	19	2.11	7,680.09
		5,28.49	12135,30.73
2 Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	17	269,00.00	12693,65.40
(ii) Lease liabilities		-	13,62.24
(iii) Trade payables	21	-	-
(1) Total outstanding dues of micro, small and medium enterprises		11.35	10,67.67
(2) Total outstanding dues of creditors other than above		1,94.53	206,45.31
(iv) Other financial liabilities	18	6,42.72	786,92.96
(b) Provisions	19	-	171.74
(c) Current tax liabilities (net)		3.02	3.02
(d) Other current liabilities	20	3,43.04	63,42.12
		280,94.66	13776,50.46
Total Equity and liabilities		313,54.24	30341,93.13

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

As per our report of even date attached
For SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm Registration Number: 109983W
Pramod Ramesh Bhise
Digitally signed by Pramod Ramesh Bhise
Date: 2024.04.29 21:51:32 +05'30'
Pramod Bhise
Partner
Membership No. 047751

Place: Pune
Date: April 29, 2024

For and on behalf of the Board of Directors
TMF Business Services Limited

Varsha Vasant Purandare
Digitally signed by Varsha Vasant Purandare
Date: 2024.04.29 20:42:25 +05'30'
Varsha Purandare
Director
(DIN - 05288076)

PATHAMADAI BALACHANDRAN AN BALAJI
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Date: 2024.04.29 20:21:33 +05'30'
P B Balaji
Director
(DIN - 02762983)

Digitally signed by VINU NAIR
Date: 2024.04.29 20:41:06 +05'30'

Vinu Nair
Manager

UDAY UCHIL
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Date: 2024.04.29 10:33:21 +05'30'
Uday Uchil
Chief Financial Officer

Place: Mumbai
Date: April 29, 2024

NEERAJ KUMAR DWIVEDI
Digitally signed by NEERAJ KUMAR DWIVEDI
Date: 2024.04.29 20:37:59 +05'30'
Neeraj Dwivedi
Company Secretary
Membership No.-A20874

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Statement of Profit and Loss for the year ended March 31, 2024

(₹ in lakhs)

Particulars	Notes	For the year ended March 31 2024	For the year ended March 31 2023
I Revenue from operations	22		
(a) Sale of Service		50,40.46	49,58.85
(b) Other operating revenue		1.86	-
Total Revenue from operations		50,42.32	49,58.85
II Other income	22A	5,28.48	3618,64.99
III Total income (I + II)		55,70.80	3668,23.84
IV Expenses			
(a) Employee benefits expenses	23	74.88	303,91.81
(b) Finance cost	24	25,26.85	2047,16.66
(c) Depreciation, amortization and impairment	5 & 6	37,66.52	56,79.28
(d) Impairment of financial instruments and other assets	25	1,94.54	1688,52.46
(e) Other expenses	26	6,77.05	610,58.32
Total expenses		72,39.84	4706,98.53
V Profit/(Loss) before exceptional items and tax (III - IV)		(16,69.04)	(1038,74.69)
VI Exceptional items		-	-
VII Profit/(Loss) before tax (V - VI)		(16,69.04)	(1038,74.69)
VIII Tax expense / (income)			
(a) Current tax	14	-	(2.45)
(b) Tax in respect of earlier years	14	30.47	-
(c) Deferred tax	14	(6,21.40)	(5,53.17)
Total tax expense		(5,90.93)	(5,55.62)
IX Profit/(Loss) for the year from continuing operations (VII - VIII)		(10,78.11)	(1033,19.07)
X Profit/(Loss) for the year		(10,78.11)	(1033,19.07)
XI Other comprehensive income			
A i. Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		0.53	5,23.17
(b) Equity Instruments through Other Comprehensive Income		-	(3,73.87)
ii. Income tax relating to items that will not be reclassified to profit or loss		-	94.59
Subtotal (A)		0.53	2,43.89
B i. Items that will be reclassified to profit or loss			
(a) Net Gains/(losses) on cash flow hedges		-	28,52.11
(b) Debt Instruments through Other Comprehensive Income		-	(83,89.12)
ii. Income tax relating to items that will be reclassified to profit or loss		-	21,11.37
Subtotal (B)		-	(34,25.64)
Other Comprehensive Income (A + B)		0.53	(31,81.75)
XII Total comprehensive income for the year		(10,77.58)	(1065,00.82)
XIII Earnings per share of ₹ 3.80 each (face value of share)	28		
Basic (in ₹)		(1.10)	(131.20)
Diluted (in ₹)		(1.10)	(131.20)

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

As per our report of even date attached
For SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm Registration Number: 109983W
Prmod : Digitally signed by
Ramesh : Prmod Ramesh
Bhise : Bhise
Date: 2024.04.29
21:59:58 +05'30'
Prmod Bhise
Partner
Membership No. 047751

Place: Pune
Date: April 29, 2024

For and on behalf of the Board of Directors
TMF Business Services Limited

Varsha Vasant Purandare

Digitally signed by Varsha Vasant Purandare
Date: 2024.04.29 20:45:57
+05'30'

Varsha Purandare
Director
(DIN - 05288076)

PATHAMADAI BALACHANDRAN AN BALAJI

Digitally signed by PATHAMADAI BALACHANDRAN AN BALAJI
Date: 2024.04.29
20:22:00 +05'30'

P B Balaji
Director
(DIN - 02762983)

VINU NAIR

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Date: 2024.04.29
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Vinu Nair

Manager

UDAY UCHIL

Digitally signed by UDAY UCHIL
Date: 2024.04.29
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Uday Uchil
Chief Financial Officer

NEERAJ KUMAR DWIVEDI

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Date: 2024.04.29
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Neeraj Dwivedi
Company Secretary

Membership No:-A20874

Place: Mumbai
Date: April 29, 2024

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN: U45200MH1989PLC050448)
Statement of changes in equity for the year ended March 31, 2024

Particulars	As at March 31, 2024		As at March 31, 2023										
	Number	₹	Number	₹									
A. Equity share capital													
Shares outstanding at the beginning of the year	9,79,65,969	979,65,97	6,08,27,689	608,27,69									
Changes in Equity Share Capital due to price period errors	-	-	-	-									
Restated balance at the beginning of the year	9,79,65,969	979,65,97	6,08,27,689	608,27,69									
Equity Shares issued on conversion of CCPS during the year	-	-	2,34,70,506	234,70,51									
Equity Shares issued during the year	-	(942,63,25)	1,36,67,774	136,67,77									
Reduction of share capital pursuant to scheme of demerger	9,79,65,969	37,22,71	9,79,65,969	979,65,97									
Shares outstanding at the end of the year													
B. Instruments entirely equity in nature													
(i) Perpetual Debt													
Balance as at beginning of the period/year	13,480	1348,00,00	13,480	1348,00,00									
Amount transferred pursuant to scheme of demerger issued during the period/year	(13,480)	(1348,00,00)	-	-									
Balance as at end of the period/year			13,480	1348,00,00									
4C. Other equity													
Particulars	Equity component of compound financial instrument	Demerger Reserve	Special reserve*	Capital redemption reserve	Securities Premium Account	Reserve and Surplus Capital Reserve	General reserve	Retained earnings	Equity instruments through OCI	Debt Instruments through OCI	Cost of Hedging Reserve	Hedging Reserve	Total other equity
Balance as at April 1, 2023	-	(957,48.32)	236,66.74	0.02	4064,42.85	130,82.18	17,85.59	(1761,69.60)	62,81.87	260,45.35	(6,35.90)	21,09.40	2102,45.97
a) Addition on demerger of NBFC undertaking	-	-	-	-	-	-	-	-	-	-	-	-	(957,48.32)
b) Profit for the year	-	-	-	-	-	-	-	(10,78.11)	-	-	-	-	(10,78.11)
c) Other comprehensive income / (loss) for the year	-	-	-	-	-	-	-	0.53	-	-	-	-	0.53
d) Total comprehensive income for the year	-	(957,48.32)	-	-	-	-	-	(10,77.58)	-	-	-	-	(968,25.90)
e) Transferred pursuant to scheme of demerger	-	-	(236,66.74)	(0.02)	(4016,70.32)	(188,46.38)	(17,63.52)	968,50.14	(62,81.87)	(260,45.35)	6,35.90	(21,09.40)	(2086,54.94)
f) Adjustment pursuant to scheme of demerger and Reduction of share capital	-	957,48.32	-	-	(49,36.55)	(2,38.80)	(32.07)	21,76.98	-	-	-	-	942,43.25
Balance as at March 31, 2024	-	-	85.98	-	85.98	-	-	(10,77.60)	-	-	-	-	(9,51.62)

(₹ in lakhs)

(₹ in lakhs)

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Statement of changes in equity for the year ended March 31, 2024

Particulars	Equity component of compound financial instrument	Special reserve*	Capital redemption reserve	Securities Premium Account	Reserve and Surplus		Retained earnings	Equity instruments through OCI	Other components of equity		Total other equity
					General reserve	Distributable			Debt Instruments through OCI	Cost of Hedging Reserve	
Balance as at April 1, 2022	471,11.44	236,66.74	0.02	3,136,40.38	190,82.18	17,85.59	176,81.62	65,61.15	323,23.10	(4,57.03)	2843,04.01
a) Profit for the year	-	-	-	-	-	(1761,69.60)	(1033,10.07)	(2,79.28)	(62,77.75)	-	(1033,19.07)
b) Other comprehensive income / (loss) for the year	-	-	-	-	-	-	5,23.17	(2,79.28)	(62,77.75)	(1,78.87)	(31,81.75)
c) Total comprehensive income / (loss) for the year	-	-	-	-	-	-	(1027,95.80)	(2,79.28)	(62,77.75)	(1,78.87)	(1065,00.82)
d) Distributions made to holders of Instruments entirely equity in nature	-	-	-	-	-	-	(132,48.25)	-	-	-	(132,48.25)
e) Premium on issue of equity shares	-	-	-	563,68.67	-	-	-	-	-	-	563,68.67
f) Conversion of CCPS to equity	(471,11.44)	-	-	364,33.80	-	-	-	62,81.97	260,45.35	(6,35.50)	(105,77.64)
Balance as at March 31, 2023	-	236,66.74	0.02	4,064,42.85	190,82.18	17,85.59	(983,62.53)	62,81.97	260,45.35	(6,35.50)	2102,45.97

*As per Section 45-4C 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 49)

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

Pramod Ramesh Bhise
Partner
Digitally signed by Pramod Bhimesh Bhise
Date: 2024.04.29 22:11:19 +05'30'

Place: Pune
Date: April 29, 2024
Membership No. 047751

For and on behalf of the Board of Directors
TMF Business Services Limited

Varsha Vasant Putandare
Director
Digitally signed by Varsha Vasant Putandare
Date: 2024.04.29 20:47:30 +05'30'

Varsha Putandare
Director
(DIN - 05288076)

PATHAMADAI BALACHANDRAN AN BALAJI
Digitally signed by PATHAMADAI BALACHANDRAN AN BALAJI
Date: 2024.04.29 20:22:30 +05'30'

P B Balaji
Director
(DIN - 02762983)

VINU NAIR
Digitally signed by VINU NAIR
Date: 2024.04.29 20:42:04 +05'30'

Vinu Nair
Manager

UDAY UCHIL
Digitally signed by UDAY UCHIL
Date: 2024.04.29 20:34:19 +05'30'

Uday Uchil
Chief Financial Officer

Place: Mumbai
Date: April 29, 2024

NEERAJ KUMAR DWVEDI
Digitally signed by NEERAJ KUMAR DWVEDI
Date: 2024.04.29 20:39:06 +05'30'

Neeraj Dwivedi
Company Secretary
Membership No: A20874

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Cash flow statement for the year ended March 31, 2024

(₹ in lakhs)

Particulars	For the year ended March 31 2024	For the year ended March 31 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) before tax	(16,69.04)	(1038,74.69)
Adjustments for:		
Interest income on loans, deposits & investments	(1.58)	(3099,59.52)
Finance costs (other than Interest expense on lease liability)	25,26.85	2040,71.81
Interest expense on lease liability	-	6,44.85
Dividend income	-	(3,77.37)
Gain on sale of investments	(76.36)	(105,75.47)
MTM on investments measured at fair value through profit or loss	-	(5,22.12)
Allowance for loan losses and write-off loans	-	1701,23.24
Allowance for doubtful loans and advances (others) (net of write-off)	1,25.88	(12,70.78)
Depreciation and amortization	37,66.52	56,79.28
(profit)/Loss on sale of property, plant and equipments	4,73.75	22.46
Balances written back	-	(8,71.83)
Fair value changes on derivative instruments	-	10,09.69
Loss on asset held for sale	-	76,60.93
Operating cash flow before working capital changes	51,46.02	(382,39.52)
Movements in working capital		
Trade payables	2,05.87	43,45.85
Other financial liabilities	2,37.84	(16,89.31)
Other current and non-current liabilities	2,37.63	(5,54.94)
Trade receivables	(3,62.15)	15,70.23
Other financial assets	16,02.97	(110,41.08)
Provisions	(68.94)	1,78.93
Loans	-	2625,80.44
Other non current assets and other current assets	(18,19.43)	(16,93.04)
Assets held for sale	-	179,25.88
	51,79.81	2333,83.44
Interest income received on loans, investments & deposits	-	3112,55.18
Income taxes paid (net)	73,80.97	(48,61.82)
Net cash generated from operating activities	125,60.78	5397,76.80
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and intangible assets	(71,36.35)	(36,99.92)
Proceeds from sale of property, plant and equipments	6,53.74	13,11.75
Purchase of mutual fund units	(599,07.00)	(87652,61.74)
Redemption of mutual fund units	595,83.06	87551,38.24
Investment in government securities	-	(461,72.65)
Distribution from SBI trust securities	-	16.54
Investment in treasury bills	-	(1508,06.07)
Redemption of treasury bills	-	2005,00.00
Dividend income	-	3,77.37
Interest on fixed deposits	1.58	-
Deposits/restricted deposits with banks	(9,99.00)	(45,46.21)
Realisation of deposits/restricted deposits with banks	9,00.00	418,26.87
Net cash generated/(used in) from investing activities	(69,03.97)	286,84.18
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	9008,09.73
Repayment from long term borrowings	-	(9545,24.72)
Proceeds from short term borrowings	634,00.00	11404,88.31
Repayment from short term borrowings	(664,05.16)	(14650,00.00)
Finance costs paid	(25,26.85)	(1723,15.93)
Interest payment on lease liability	-	(6,44.85)
Principal payment of lease liability	-	(12,56.61)
Distributions made to holders of Instruments entirely equity in nature	-	(132,48.25)
Premium on issue of equity shares	-	563,68.67
Equity share issue	-	136,67.78
Net cash (used in) from financing activities	(55,32.01)	(4956,55.87)
Net increase in/(decrease in) cash and cash equivalents (A + B + C) (refer note below)	1,24.80	728,05.11

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Cash flow statement for the year ended March 31, 2024

Particulars	(₹ in lakhs)	
	For the year ended	For the year ended
	March 31 2024	March 31 2023
Cash and cash equivalents at the beginning of the year	3227,01.92	2498,96.81
Opening balance transfer on account of common control transaction	(3224,89.13)	-
Cash and cash equivalents at the end of the year (Refer Note 11)	3,37.60	3227,01.92
See accompanying notes forming part of financial statements (1 to 49)		

Note:

1. 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

Pramod Digitally signed
by Pramod
Ramesh Ramesh Bhise
Bhise Date: 2024.04.29
22:21:03 +05'30'

Pramod Bhise
Partner
Membership No. 047751

Place: Pune
Date: April 29, 2024

For and on behalf of the Board of Directors
TMF Business Services Limited

Varsha Vasant
Purandare

Digitally signed by
Varsha Vasant Purandare
Date: 2024.04.29 20:48:22
+05'30'

Varsha Purandare
Director
(DIN - 05288076)

PATHAMADAI Digitally signed by
BALACHANDRAN BALAJI
AN BALAJI Date: 2024.04.29 20:02:51
+05'30'

P B Balaji
Director
(DIN - 02762983)

VINU
NAIR

Digitally signed
by VINU NAIR
Date: 2024.04.29
20:42:34 +05'30'

Vinu Nair
Manager

UDAY
UCHIL

Digitally signed by
UDAY UCHIL
Date: 2024.04.29
20:34:57 +05'30'

Uday Uchil
Chief Financial Officer

NEERAJ
KUMAR
DWIVEDI

Digitally signed by
NEERAJ KUMAR
DWIVEDI
Date: 2024.04.29
20:39:37 +05'30'

Neeraj Dwivedi
Company Secretary
Membership No:-A20874

Place: Mumbai
Date: April 29, 2024

Notes forming part of the financial statements for the year ended March 31, 2024

1 Company information

TMF Business Services Limited (Formerly known as 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 a subsidiary of TMF Holdings Limited. With effect from August 07, 2023, the name of the Company has changed to TMF Business Services Limited from Tata Motors Finance Limited. The company is engaged primarily in leaseing of vehicles manufactured by Tata Motors and its group companies.

The Company has surrendered the Certificate of Registration (CoR) granted by the Reserve Bank of India (RBI) as result of demerger (for more detail, please refer note no. 27) of the Non-Banking Finance related business ("NBFC Undertaking") of the Company through the Scheme of demerger which came in to effect from June 30, 2023.

The financial statements were approved by the Board of Directors and authorised for issue on April 29, 2024.

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.(i) - 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 II) of the Companies Act, 2013 applicable to company, 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 MATERIAL ACCOUNTING POLICIES

The material 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.

Due to demerger of the NBFC undertaking of the company as detailed in note no. 27, the following accounting policies are not applicable for current year and hence not given.

1. Business model assessment for classification and measurement of financial assets
2. Effective Interest Rate (EIR) methodology
3. Determination of lease term where the Company is a lessee
4. Income from direct assignment
5. Foreign currency
6. Other intangible assets

(i) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the 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 (viii)- Impairment allowances of financial assets
- b) Note 3(iv) -Useful lives of property, plant and equipment
- c) Note 3(vi) and 32- Measurement of assets and obligations of defined benefit employee plans
- d) Note 3(iii) and 14- Recoverability and recognition of deferred tax assets
- e) Note 3(vii)- Measurement of provisions and contingencies
- g) Note 3(ix) and 33- Fair value measurement of financial instruments

Notes forming part of the financial statements for the year ended March 31, 2024

(ii) Revenue recognition

Revenue from Operations

(a) Rental Income

Rental income arising from operating lease is recognised on a straight-line basis over the lease term. The rental income is recognised under the head sale of Service in the statement of profit or loss.

(iii) 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. The effect of

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.

Interest on income tax refund is recognised as income in statement of profit and loss at the time of receipt.

(iv) 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.

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
Vehicles On Operating Lease	4 & 5 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.

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

Notes forming part of the financial statements for the year ended March 31, 2024

(v) 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 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.

(vi) 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.

Notes forming part of the financial statements for the year ended March 31, 2024

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.

(vii) 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.

(viii) Financial instruments

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

(A) Financial assets

Initial recognition and measurement

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

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

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

Classification and Subsequent measurement

For the purposes of initial 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)

Notes forming part of the financial statements for the year ended March 31, 2024

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.

The Company recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost or at fair value through other comprehensive income. Expected credit losses are forward looking and are measured in a way that is unbiased and represents a probability-weighted amount, takes into account the time value of money (values are discounted using the applicable effective interest rate) and uses reasonable and supportable information.

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.

(B) 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.

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, 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.

(ix) 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

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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

5. Property, plant and equipment

Particulars	Gross Block				Accumulated Depreciation		Net Block			
	Balance as at April 1, 2023	Transferred pursuant to scheme of demerger	Additions	Deletions	Balance as at March 31, 2024	Transferred pursuant to scheme of demerger	Depreciation	Deletions	Balance as at March 31, 2024	Balance as at March 31, 2024
(a) Buildings	1,44.56	1,44.56	-	-	-	58.65	-	-	-	-
(b) Right of Use Assets	107,52.99	107,52.99	-	-	-	33,60.29	-	-	-	-
(c) Furniture and fixtures	6,74.23	6,74.23	-	-	-	3,34.60	-	-	-	-
(d) Vehicles	5,73.57	5,73.57	-	-	-	1,78.20	-	-	-	-
(e) Vehicles - given on lease	198,02.12	-	71,36.35	34,51.50	234,86.97	92,76.25	37,66.52	23,24.01	107,18.76	127,68.21
(f) Office equipments	9,54.34	9,54.34	-	-	-	5,88.47	-	-	-	-
(g) Data processing machines	15,88.30	15,88.30	-	-	-	9,31.64	-	-	-	-
(h) Leasehold improvement	4,09.73	4,09.73	-	-	-	1,38.62	-	-	-	-
Total	348,99.84	150,97.72	71,36.35	34,51.50	234,86.97	148,66.72	37,66.52	23,24.01	107,18.76	127,68.21

Particulars	Gross Block				Accumulated Depreciation		Net Block			
	Balance as at April 1, 2022	Transferred pursuant to scheme of demerger	Additions	Deletions	Balance as at March 31, 2023	Transferred pursuant to scheme of demerger	Depreciation	Deletions	Balance as at March 31, 2023	Balance as at March 31, 2023
(a) Buildings #	1,44.56	1,44.56	-	-	-	53.41	-	-	-	85.91
(b) Right of Use Assets	86,29.73	86,29.73	24,94.70	5,71.44	107,52.99	22,12.20	15,45.78	3,97.69	33,60.29	73,92.70
(c) Furniture and fixtures	8,08.97	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	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	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	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	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	50,65.93	348,99.84	128,19.10	55,81.81	35,34.19	148,66.72	200,33.12

Tata Motors Finance Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2024

6. Other Intangible assets

Particulars	Gross Block				Accumulated Amortisation				Net Block		
	Balance as at April 1, 2023	Transferred pursuant to scheme of demerger	Additions	Deletions	Balance as at March 31, 2024	Balance as at April 1, 2023	Transferred pursuant to scheme of demerger	Amortisation	Deletions	Balance as at March 31, 2024	Balance as at March 31, 2024
(a) Computer Software	12,64.87	1264.87	-	-	-	10,40.73	10,40.73	-	-	-	-
Total	12,64.87	12,64.87	-	-	-	10,40.73	10,40.73	-	-	-	-

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	Amortisation	Deletions	Balance as at March 31, 2023	Balance as at March 31, 2023	Balance as at March 31, 2024
(a) Computer Software	12,64.87	-	-	12,64.87	9,43.26	97.47	-	10,40.73	10,40.73	2,24.14
Total	12,64.87	-	-	12,64.87	9,43.26	97.47	-	10,40.73	10,40.73	2,24.14

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2024

7. Investment Non-Current

						(₹ in lakhs)
Face Value per unit (in Rs)	Description	Quantity (in nos.) as at March 31, 2024	As at March 31, 2024	Quantity (in nos.) as at March 31, 2023	As at March 31, 2023	
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 share to Re.1 per share)	-	-	60,95,110	63,69.39	
10	ii. Tata Chemicals Limited	-	-	10,060	97.83	
1	iii. Tata Power Limited	-	-	9,120	17.35	
1	iv. Tata Consumer Products Limited (pursuant to Scheme of Arrangement, 114 shares were allotted for every 100 shares held in Tata Chemicals Limited)	-	-	11,468	81.29	
10	v. NTPC Limited	-	-	1,56,000	2,73.16	
1	vi. NMDC Limited	-	-	20,000	22.31	
10	vii. NMDC Steel Limited ((pursuant to Scheme of Arrangement, 1 shares were allotted for every 1 shares held in NMDC Limited)	-	-	20,000	6.21	
10	viii. Coal india Limited	-	-	11,904	25.43	
(b) Unquoted						
10	i. Taj Air Limited	-	-	42,00,000	-	
1,000	ii. Tata International Limited	-	-	19,350	41,94.55	
100	iii. Tata Industries Limited	-	-	9,93,753	19,09.00	
Subtotal (A)						129,96.52
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	
(b) Unquoted						
2	i. Tata Technologies Limited (Note 1)	-	-	8,11,992	177,01.43	
10	ii. Tata Hitachi Construction Machinery Company Private Limited	-	-	2,85,714	-	
Investment in trust securities (partly paid)						
10	i. SBI Macquarie Infrastructure Trust	-	-	1,50,00,000	4,89.34	
Subtotal (B)						185,37.62
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	
Fully Paid Cumulative Redeemable Preference shares (Unquoted)						
100	(b) 8.50% Tata Precision Industries (India) Limited	-	-	1,50,000	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)	-	-	-	-	
Investment in government securities (Quoted)						
(a) Government securities bonds						
Subtotal (C)						797,45.15
Total (A + B + C)						1114,69.29

7 - Investment Current

						(₹ in lakhs)
Face Value per unit (in Rs)	Description	Quantity (in nos.) as at March 31, 2024	As at March 31, 2024	Quantity (in nos.) as at March 31, 2023	As at March 31, 2023	
Investments measured at fair value through profit and loss						
Investment in Mutual Funds						
	(i) Investments in Mutual fund				207,12.67	
Investment in government securities (Quoted)						
	(i) Government securities bonds-AVS				9,49.10	
Investments measured at Amortised cost						
Investment in government securities (Quoted)						
	(i) Treasury bills				109,46.31	
Total						326,08.08

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

8. Loans and advances

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Secured		
(refer note 2,3&4)		
Current		
(A) At amortised cost		
From financing activities		
From financing activities		
(a) Term loans	-	4990,98.75
(b) Finance Lease receivables	-	26,77.29
(c) Credit substitutes (refer note 1)	-	22.15
Total (A) - Gross	-	<u>5017,98.19</u>
Less: Impairment loss allowance	-	<u>(562,40.03)</u>
Total	-	<u>4455,58.16</u>
Non Current		
(A) At amortised cost		
From financing activities		
From financing activities		
(a) Term loans	-	6921,12.64
(b) Finance Lease receivables	-	54,77.21
(c) Credit substitutes (refer note 1)	-	151,74.31
Total (A) - Gross	-	<u>7127,64.16</u>
Less: Impairment loss allowance Non	-	<u>(838,02.78)</u>
Total	-	<u>6289,61.38</u>
Current		
(B) Term loans-FVOCI	-	13055,00.24
Less: Impairment loss allowance	-	<u>(314,58.31)</u>
Total (B) - Net	-	<u>12740,41.93</u>
Unsecured		
Current		
(A) At amortised cost		
From financing activities		
From financing activities		
(a) Term loans	-	71.41
(b) Credit substitutes (refer note 1)	-	211,51.53
(c) Channel financing	-	88,94.22
Total (A) - Gross	-	<u>301,17.16</u>
Less: Impairment loss allowance	-	<u>(33,75.44)</u>
Total (A) - Net	-	<u>267,41.72</u>
Non Current		
(A) At amortised cost		
From financing activities		
From financing activities		
(a) Term loans	-	3,74.00
Total (A) - Gross	-	<u>3,74.00</u>
Less: Impairment loss allowance	-	<u>(43.97)</u>
Total (A) - Net	-	<u>3,30.03</u>

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.

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

3 Secured Advances 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 Secured Advances includes Fully backed guarantee of Central Government of India under the emergency credit Line guarantee scheme (ECLGS).

9. Bank balances

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Current		
Deposits with banks (Refer note 1)	99.00	8,23.14
Total	<u>99.00</u>	<u>8,23.14</u>
Non Current		
Earmarked balances with banks (Refer note 2)	-	36.35
Margin money / cash collateral with banks (Refer note 3)	-	52,82.42
Total	<u>-</u>	<u>53,18.77</u>

1. Fixed deposits for current year is lien against bank guarantees given by bank for Income tax matters.

2. Earmarked balances with banks on account of unclaimed interest on debt securities.

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

10. Other financial assets

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Non Current		
Deposits	-	29,66.79
Derivative financial instruments (refer Note no 18A)	-	96,99.07
Total	<u>-</u>	<u>126,65.86</u>
Current		
Interest accrued on deposits	-	4,51.82
Deposits (Net of provision Nil; March 31, 2023 ₹ 52.96 lakhs)	-	37.77
Interest accrued on investments	-	15,11.71
Others (Net of provision Nil ; March 31, 2023 ₹ 26,98.10 lakhs)	-	746,43.97
Receivable from mutual funds	4,00.30	-
Other Receivables*	41.99	2,37.54
Total	<u>442.29</u>	<u>768,82.81</u>

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.

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

11. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31	As at March 31
	2024	2023
Cash and cash equivalents		
Bank deposit with original maturity of less than 3 months	-	3024,00.00
Balance with Banks	3,37.60	184,06.61
Cheques, drafts on hand	-	12,52.08
Cash on hand	-	6,43.23
Total	3,37.60	3227,01.92

12. Other assets

(₹ in lakhs)

Particulars	As at March 31	As at March 31
	2024	2023
Non Current		
Capital advances	14,08.97	7,28.01
Deposits with statutory authorities (Net of provision Nil; March 31, 2023 ₹ 87.92 lakhs)	-	54.20
Deposits paid under protest	-	11,82.21
Taxes recoverable and dues from government (Net of provision) (Net of provision Nil; March 31, 2023 ₹ 3,03.69 lakhs)	-	2.52
Total	14,08.97	19,66.94
Current		
Taxes recoverable and dues from government	18,05.81	46,87.42
Prepaid expenses	3.73	46,50.54
Stamp papers	-	7,05.09
Others non-financial assets (Net of provision Nil; March 31, 2023 ₹ 1,65.75 lakhs)	-	12,73.52
Total	18,09.54	113,16.57

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

13. Trade receivables

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
From Others		
(i) Trade receivable considered good – Unsecured	774.28	3,008.39
(ii) Trade receivable – credit impaired – Unsecured	270.44	132.94
(iii) Trade Receivables – which have significant increase in credit risk	161.94	99.38
(iv) Less: Impairment loss allowance	(3,69.57)	(2,43.70)
Total	8,37.09	29,97.01

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, 2024 is given below-

Particulars	Not due	Unbilled	Less than 6 Months					Total
			1-2 Years	2-3 Years	More than 3 Years	Total		
(i) Undisputed Trade receivables – considered good	7,57.59	-	-	-	-	-	7,57.59	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	1,09.01	-	-	-	109.01	
(iii) Undisputed Trade Receivables – credit impaired	-	-	28.16	18.06	-	-	47.22	
(iv) Disputed Trade Receivables – considered good	16.69	-	-	-	-	-	16.69	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	52.92	-	-	-	52.92	
(vi) Disputed Trade Receivables – credit impaired	-	-	78.31	85.43	53.79	5.68	2,23.22	
Total Gross	7,74.28	-	2,69.41	1,03.50	53.79	5.68	12,06.66	
Less: Impairment loss allowance	-	-	-	-	-	-	(3,69.57)	
Total Net	-	-	-	-	-	-	8,37.09	

Ageing of trade receivable at March 31, 2023 is given below-

Particulars	Not due	Unbilled	Less than 6 Months					Total
			1-2 Years	2-3 Years	More than 3 Years	Total		
(i) Undisputed Trade receivables – considered good	13,56.97	-	1,306.34	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 credit risk	-	-	78.31	-	-	-	78.31	
(vi) Disputed Trade Receivables – credit impaired	-	-	85.23	42.03	5.68	-	1,32.94	
Total Gross	13,74.37	-	14,90.96	2,33.55	1,26.45	15.39	32,40.71	
Less: Impairment loss allowance	-	-	-	-	-	-	(2,43.70)	
Total Net	-	-	-	-	-	-	29,97.01	

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

14. Income taxes

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

Particulars	(₹ in lakhs)	
	For the year ended March 31	For the year ended March
	2024	2023
Income tax expense		
<u>Current tax</u>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	30.47	(2.45)
Total current tax expense	30.47	(2.45)
<u>Deferred tax</u>		
Decrease (increase) in deferred tax assets	(6,21.40)	(12,50.61)
(Decrease) increase in deferred tax liabilities	-	6,97.43
Total deferred tax expense/(benefit)	(6,21.40)	(5,53.18)
Income Tax expense	(5,90.93)	(5,55.63)

b) Reconciliation of the income tax expenses and accounting profit

Particulars	(₹ in lakhs)	
	For the year ended March 31	For the year ended March 31
	2024	2023
Reconciliation of the income tax expense and the accounting profit multiplied by India's tax rate:		
Profit before taxes	(16,69.04)	(1038,74.69)
Income tax expenses calculated at Statutory tax rate	(4,20.06)	(261,43.18)
Tax effect of the amount which are not taxable in calculating taxable income :		
- Effect of expenses not deductible for tax computation	-	77.73
- Utilization of unrecognised and unused tax losses to reduce current tax expense	(37.64)	-
- Deferred tax assets not recognised because realization is not probable	-	255,12.27
- Adjustment recognised in relation to the current tax of prior years	30.47	(2.45)
- Others	(1,63.70)	-
Income tax expense/(credit) recognised for the year at effective tax rate	(590.93)	(555.63)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

c) Deferred tax assets/liabilities (net)

Particulars	(₹ in lakhs)				
	As at April 01, 2023	Transferred as part of demerger	Through profit and loss	Through other comprehensive income	As at March 31, 2024
Deferred tax liabilities :					
- Fair Valuation of financial assets measure	115,24.17	115,24.17	-	-	-
- Income to be taxed on actual receipt basis	52,54.91	52,54.91	-	-	-
- Sourcing commission claimed on incurred	28,70.32	28,70.32	-	-	-
- Others	-	-	-	-	-
Total deferred tax liabilities	196,49.40	19,649.40	-	-	-
Deferred tax asset :					
- Property, plant & equipment - Accumulate	7,68.63	9,23.58	5,93.21	-	4,38.26
- Unabsorbed and unused tax losses and unabsorbed depreciation	-	-	-	-	-
- Expenses deductible in future years:					
- Provisions for impairment allowances on financial assets	411,28.31	410,66.73	28.19	-	89.77
- Compensated absences and retirement benefits	4,45.27	4,45.02	-	-	0.25
- Others	(7,38.81)	(7,38.81)	-	-	-
Total deferred tax assets	416,03.40	416,96.52	6,21.40	-	5,28.28
Net deferred tax asset/(liabilities)	219,54.00	220,47.12	6,21.40	-	5,28.28

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

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

c) Deferred tax assets/liabilities (net)

Particulars	(₹ in lakhs)			
	As at April 1, 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 F	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	427.74	-	7,68.63
- 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	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	191,94.86	5,53.18	(22,05.96)	219,54.00
Deferred tax assets/(liabilities) (net)	191,94.86	5,53.18	(22,05.96)	219,54.00

d) Amounts recognised directly

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, 2024, unrecognised deferred tax assets amounted to Rs. 105.98 lakhs (As at March 31, 2023 - Rs.92,72.53 lakhs) which can be carried forward indefinitely and Rs. 278.05 lakhs (As at March 31, 2023 - 280,12.03 lakhs) 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:

Year	(₹ in lakhs)	
	Amount	
March 31, 2031		2,78.05
Total		2,78.05

A scheme of arrangement was filed by TMF Business Services Limited ('TMFBBSL'), and Tata Motors Finance Limited [formerly known as Tata Motors Finance Solutions Limited] ('TMFL') for demerger of Non-banking Finance related Business of TMFBBSL into the Company, which was approved by the Hon'ble National Company Law Tribunal, Mumbai bench on 12 May 2023. The Scheme came in to effect from June 30, 2023. Appointed date of the Scheme is as April 1, 2023. In accordance with the provision of section 72A of the Income Tax Act, 1961, Pursuant to this demerger, business losses of Rs 1,080,75.72 lakhs and unabsorbed depreciation of Rs 362,81.48 lakhs were transferred from TMFBBSL to TMFL.

15 Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31		As at March 31	
	2024		2023	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 3.80 each (₹ 100 each with voting rights)	12,00,00,000	1200,00.00	12,00,00,000	1200,00.00
	12,00,00,000	1200,00.00	12,00,00,000	1200,00.00
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 3.80 each (₹ 100 each with voting rights)	9,79,65,969	37,22.71	9,79,65,969	979,65.97
Total	9,79,65,969	37,22.71	9,79,65,969	979,65.97

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		As at March 31	
	2024		2023	
	Number	₹	Number	₹
Shares outstanding at the beginning of the period/year	9,79,65,969	979,65.97	6,08,27,689	608,27.69
Equity Shares Issued on conversion of CCPS during the period/year	-	-	2,34,70,506.00	234,70.51
Equity Shares Issued during the period/year	-	-	1,36,67,774.00	136,67.77
Reduction of share capital pursuant to scheme of demerger	-	(942,43.25)	-	-
Shares outstanding at the end of the year	9,79,65,969	37,22.71	9,79,65,969	979,65.97

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

Particulars	As at March 31		As at March 31	
	2024		2023	
	Number	% of Issued Share Capital	Number	% of Issued Share Capital
A. Equity shares with voting rights				
Holding Company				
TMF Holdings Limited	9,61,43,953	98.14	9,61,43,953	98.14
Subsidiaries of holding company				
Tata Motors Finance Limited (formerly known as Tata Motors Finance Solutions Limited)	18,22,016	1.86	18,22,016	1.86

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

Particulars	As at March 31		As at March 31	
	2024		2023	
	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital
Equity Share with voting rights				
TMF Holdings Limited	9,61,43,953	98.14	9,61,43,953	98.14

d) Details of shares held by Promoters

Promoter name	As at March 31		As at March 31	
	2024		2023	
	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital
TMF Holdings Limited	9,61,43,953	98.14	9,61,43,953	98.14
Tata Motors Finance Limited (formerly known as Tata Motors Finance Solutions Limited)	18,22,016	1.86	18,22,016	1.86

% change in Promoters shareholding during the year is as below

Promoter name	As at March 31		As at March 31	
	2024		2023	
	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital
TMF Holdings Limited	-	-	-	1.00
Tata Motors Finance Limited (formerly known as 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

- The Company has not issued any shares without payment being received in cash.
- The Company has not issued any bonus shares.
- 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, 2023 – Nil).

Tata Motors Finance Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

16A. Instruments entirely equity in nature

(i) Perpetual Debt

Particulars	As at March 31		As at March 31	
	2024		2023	
	Number	₹	Number	₹
Balance as at beginning of the year	13,480.00	1348,00.00	13,480.00	1348,00.00
Amount transferred pursuant to scheme of demerger	(13,480.00)	(1,34,800.00)	-	-
Balance as at end of the year	-	-	13,480.00	1348,00.00

(₹ in lakhs)

The Company had 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 were perpetual in nature with no maturity or redemption and are callable only at the option of the Company. There was 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 company is not liable to pay the Coupon on these securities and shall be entitled to defer the payment of Coupon, if

i. its 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.

16B. Equity Component of Compound Financial Instrument

Particulars	As at March 31		As at March 31	
	2024		2023	
	Number	₹	Number	₹
Authorised				
Preference shares of ₹ 100 each	8,00,00,000	800,00.00	8,00,00,000	800,00.00
		800,00.00		800,00.00
Issued, Subscribed and Fully Paid up				
Equity portion of cumulative, non-participating Compulsorily convertible preference share (CCPS) of ₹ 100 each	-	-	-	-
Equity portion of non-cumulative, non-participating Compulsorily convertible preference share (CCPS) of ₹ 100 each	-	-	-	-
Total	-	-	-	-

(₹ in lakhs)

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

Particulars	As at March 31		As at March 31	
	2024		2023	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	-	-	7,23,00,000	471,11.44
Shares converted during the year into equity (Refer point (a) below)	-	-	(7,23,00,000.00)	(471,11.44)
Shares outstanding at the end of the year	-	-	-	-

(₹ in lakhs)

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

Particulars	As at March 31		As at March 31	
	2024		2023	
	Number	% of total shares	Number	% of total shares
TMF Holdings Limited	-	-	-	-

Tata Motors Finance Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

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

Particulars	As at March 31		As at March 31	
	2024		2023	
	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	-	-	-	-

d) Details of shares held by Promoters

Particulars	As at March 31		As at March 31	
	2024		2023	
	No. of Shares	% of total shares	No. of Shares	% of total shares
TMF Holdings Limited	-	-	-	-

e) Terms / rights attached to preference shares:

The Company had 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 had early converted the outstanding Compulsorily convertible preference share (CCPS) at pre-determined conversion ratio. On conversion of CCPS, the Company had 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.

16C

(i) Other components of equity

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

Particulars	(₹ in lakhs)	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	62,81.87	65,61.15
Other comprehensive income for the year	-	(3,73.87)
Income tax relating to gain/loss arising on other comprehensive income where applicable	-	94.59
Transferred pursuant to scheme of demerger	(62,81.87)	-
Balance at the end of the year	-	62,81.87

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

Particulars	(₹ in lakhs)	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	21,09.40	(9,21.58)
Gain/(loss) reclassified to profit or loss	-	30,30.98
Transferred pursuant to scheme of demerger	(21,09.40)	-
Balance at the end of the year	-	21,09.40

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

Particulars	(₹ in lakhs)	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	(635.90)	(457.03)
Gain/(loss) recognised on cash flow hedges - Gain/(Loss)	-	(11,88.56)
Transferred pursuant to scheme of demerger	6,35.90	-
Gain/(loss) reclassified to profit or loss	-	10,09.69
Balance at the end of the year	-	(635.90)

(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 :-

Particulars	₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Equity instruments through other comprehensive income	-	62,81.87
Hedging reserve	-	21,09.40
Cost of hedging reserve	-	(635.90)
Debt instruments through other comprehensive income	-	260,45.35
Total	-	338,00.72

(f) 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.

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

17. Borrowings

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Non current		
Unsecured		
Perpetual Debt Instruments to the extent that do not qualify as equity	-	124,81.59
Privately placed subordinated redeemable, non-convertible debentures	-	957,04.87
Privately placed non-convertible debentures	-	1964,07.68
Term loans from banks	-	1272,19.93
Total	-	4318,14.07
Secured (refer note (ii))		
Term loans from banks	-	7637,24.81
Total	-	7637,24.81
Total	-	11955,38.88
Current		
Unsecured		
Commercial paper	-	3256,07.45
Privately placed subordinated redeemable, non-convertible debentures	-	229,80.77
Term loans from banks	-	687,50.00
Inter Corporate Deposits from related parties	269,00.00	300,00.00
Total	26,900.00	4,47,338.22
Secured (refer note (ii))		
Privately placed non-convertible debentures	-	998,95.45
Loans repayable on demand from banks Secured	-	1345,00.00
Cash Credit from banks	-	74,98.01
Collateralised Debt Obligation	-	74,87.24
Term loans from banks	-	5726,46.48
Total	-	8220,27.18
Total	269,00.00	12693,65.40

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.

(ii) 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.

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

(iii) Nature of Security for cash credit and loans repayable on demand:

Cash credit and loans repayable on demand is secured by a pari-passu charge in favour of the security trustee on:

- a) All receivables of the Company arising out of loan, lease and trade advances;
- b) All other book debts;
- c) Receivables from pass through certificates in which Company has invested; and
- d) Such other current assets as may be identified by the Company from time to time and accepted by the security trustee.

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

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

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

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

Details of Non-Convertible debentures (Secured)

(₹ in lakhs)

From Balance sheet Date	As at March 31, 2024		As at March 31, 2023	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Issued on private placement basis				
Repayable on Maturity:				
Maturing within 1 Year			8.50% to 8.75%	1000,00.00
Total Face Value		-		1000,00.00
Less: Unamortised borrowing cost				1,04.55
Total Amortised cost		-		998,95.45

* 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, 2024		As at March 31, 2023	
	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
Total Face Value		-		2235,04.72
Less: Unamortised borrowing cost				270,97.04
Total Amortised cost		-		1964,07.68

Details of Commercial Papers (Unsecured)

(₹ in lakhs)

From Balance sheet Date	As at March 31, 2024		As at March 31, 2023	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on Maturity:				
Maturing within 1 Year			6.70% to 8.60%	3387,00.00
Total Face Value		-		3387,00.00
Less: Unamortised discounting charges				130,92.55
Total Amortised cost		-		3256,07.45

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

Details of Term Loans from banks (Secured)				(₹ in lakhs)
From Balance sheet Date	As at March 31, 2024		As at March 31, 2023	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing within 1 Year		-	7.80% to 8.97%	2375,00.00
Maturing between 1 year to 3 Years		-	7.40% to 8.88%	255,00.00
Total repayable on maturity (A)		-		2630,00.00
2. Repayable in Installments:				
i. on quarterly basis				
Maturing within 1 Year		-	8.20% to 8.65%	2471,21.38
Maturing between 1 year to 3 Years		-	7.71% to 10.00%	3410,67.63
Maturing between 3 Years to 5 Years		-	7.50% to 8.95%	800,01.07
Subtotal (B)		-		6681,90.08
ii. on half yearly basis				
Maturing within 1 Year		-	7.75% to 8.40%	713,75.00
Maturing between 1 year to 3 Years		-	7.25% to 8.65%	1078,54.17
Maturing between 3 Years to 5 Years		-	7.40% to 7.85%	883,33.33
Subtotal (C)		-		2675,62.50
iii. on yearly basis				
Maturing between 3 Years to 5 Years		-	8.70% to 8.70%	200,00.00
Maturing within 1 Year		-	8.80% to 8.70%	166,66.67
Maturing between 1 year to 3 Years		-	8.70% to 8.70%	200,00.00
Subtotal (D)		-		566,66.67
Total repayable on installments (E = B+C+D)		-		9924,19.25
Total term loans as per contractual terms (F = A+E)		-		12554,19.25
Less: Unamortised borrowing costs		-		9,88.67
Total Amortised cost		-		12544,30.58

Details of External Commercial Borrowings (USD)				(₹ in lakhs)
From Balance sheet Date	As at March 31, 2024		As at March 31, 2023	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1. Repayable on Maturity:				
Maturing beyond 5 Years		-		-
Maturing between 1 year to 3 Years		-	8.97% to 10.07%	822,19.37
Total repayable on maturity		-		822,19.37
Less: Unamortised borrowing costs		-		2,78.65
Total Amortised cost		-		819,40.72

Details of Collateralised Debt Obligation (Secured)				(₹ in lakhs)
From Balance sheet Date	As at March 31, 2024		As at March 31, 2023	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing beyond 5 Years		-		-
Maturing within 1 Year		-	6.40% to 8.00%	74,87.24
Total		-		74,87.24
Less: Unamortised borrowing costs		-		-
Total Amortised cost		-		74,87.24

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

Details of Term Loans from banks (Unsecured)

(₹ in lakhs)

From Balance sheet Date	As at March 31, 2024		As at March 31, 2023	
	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 maturity (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
Maturing between 1 year to 3 Years	-	-	8.60% to 8.60%	125,00.00
Maturing within 1 Year	-	-	8.60% to 8.60%	62,50.00
Subtotal (B)		-		250,00.00
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
Maturing within 1 Year	-	-	8.10% to 8.10%	500,00.00
Subtotal (D)		-		1000,00.00
Total repayable on installments (E = B+C+D)		-		1750,00.00
Total term loans as per contractual terms (F = A+E)		-		1960,00.00
Less: Unamortised borrowing costs		-		30.07
Total Amortised cost		-		1959,69.93

Details of Inter corporate deposits (ICDs) (Unsecured)

(₹ in lakhs)

From Balance sheet Date	As at March 31, 2024		As at March 31, 2023	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year	8.53% to 8.94%	26,900.00	8.39% to 8.39%	300,00.00
Total		269,00.00		300,00.00
Less: Unamortised finance cost		-		-
Total Amortised cost		269,00.00		300,00.00

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

(₹ in lakhs)				
Details of Loans repayable on demand from banks (Secured)				
From Balance sheet Date	As at March 31, 2024		As at March 31, 2023	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year		-	8.30% to 7.50%	1345,00.00
Total		-		1345,00.00
Less: Unamortised borrowing costs		-		-
Total Amortised cost		-		1345,00.00

(₹ in lakhs)				
Details of Cash credit facilities (Secured)				
From Balance sheet Date	As at March 31, 2024		As at March 31, 2023	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 Year		-	7.95% to 7.95%	74,98.01
Total		-		74,98.01
Less: Unamortised borrowing costs		-		-
Total Amortised cost		-		74,98.01

(₹ in lakhs)				
Details of Subordinated liabilities in the nature of Tier II unsecured redeemable non-convertible debentures				
From Balance sheet Date	As at March 31, 2024		As at March 31, 2023	
	Interest Rate Range	Amount	Face Value	Amount
Issued on private placement basis				
Repayable on Maturity:				
Maturing beyond 5 Years		-	9.95% to 10.25%	550,00.00
Maturing between 3 Years to 5 Years		-	8.35% to 9.00%	250,00.00
Maturing between 1 year to 3 Years		-	9.70% to 10.60%	235,00.00
Maturing within 1 Year		-	9.85% to 10.15%	155,10.00
Total Face Value		-		1190,10.00
Less: Unamortised borrowing cost		-		3,24.36
Total Amortised cost		-		1186,85.64

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

18. Other financial liabilities

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Non-Current		
Derivative financial instruments (refer Note no 18A)	-	14,86.64
Deposits	5,26.38	9,65.25
Others financials liabilities	-	9,72.47
Total	5,26.38	34,24.36
Current		
Interest accrued on borrowings	-	213,31.53
Deposits	6,31.24	6,40.22
Others financials liabilities	11.48	235,87.24
Payable for assigned receivables	-	331,33.97
Total	642.72	786,92.96

18.A Derivative financial instruments - March 31 2023

Particulars	(₹ in lakhs)			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
Currency derivatives				
Forward exchange contracts	-	-	179,63.75	14,86.64
Subtotal	-	-	179,63.75	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
Cash flow hedging:				
Forward exchange contracts	-	-	179,63.75	14,86.64
Cross currency interest rate swaps	538,96.25	85,92.87	-	-
Interest rate swaps	179,63.75	11,06.20	-	-
Subtotal	-	96,99.07	179,63.75	14,86.64
Total Derivative Financial Instruments	-	96,99.07	179,63.75	14,86.64

Refer Note 37 on Financial Risk Management for maturity analysis of Derivative financial liabilities at March 31, 2023.

19. Provisions

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Non current		
Provision for employee benefits	2.11	6,94.31
Provision for indirect taxes	-	68,77.85
Other	-	1,07.93
Total	2.11	76,80.09
Current		
Provision for employee benefits	-	1,71.74
Total	-	1,71.74

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Notes forming part of financial statements for the year ended March 31, 2024

20. Other liabilities	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Particulars		
Current		
Statutory dues	2,72.53	39,96.87
Others	70.51	23,45.25
Total	3,43.04	63,42.12

21. Trade payables	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Particulars		
total outstanding dues of micro enterprises and small enterprises	11.35	10,67.67
total outstanding dues of creditors other than micro enterprises and small enterprises	1,94.53	206,45.31
Total	2,05.88	217,12.98

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 :

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
a) Principal amount due	11.35	10,67.67
b) Interest due on above	-	-
c) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Amount of interest due and payable for the period of delay	-	-
e) Amount of interest accrued and remaining unpaid as at year end	-	-
f) Amount of further remaining due and payable in the succeeding year	-	-
Total	11.35	10,67.67

Particulars	(₹ in lakhs)					
	Not due	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) MSME	11.35	-	-	-	-	11.35
(ii) Others	4.65	12.45	1,77.43	-	-	1,94.53
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	16.00	12.45	1,77.43	-	-	2,05.88

Particulars	(₹ in lakhs)					
	Not due	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) MSME	10,66.67	-	1.00	-	-	-
(ii) Others	160,13.28	29,29.88	13,54.90	1,40.45	55.71	1,53.09
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	170,77.95	29,29.88	13,55.90	1,40.45	55.71	1,53.09

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Notes forming part of financial statements for the year ended March 31, 2024

(₹ in lakhs)

22. Revenue from Operation	For the year ended	For the year ended
	March 31	March 31
	2024	2023
(a) Sale of Service	50,40.46	49,58.85
	50,40.46	49,58.85
(b) Other operating revenues	1.86	-
Total	50,42.32	49,58.85

(₹ in lakhs)

22A. Other Income	For the year ended	For the year ended
	March 31	March 31
	2024	2023
(a) Interest Income	1.58	3099,59.52
(b) Balances written back	-	8,71.83
(c) Dividend income	-	3,77.37
(d) Other fees and service charges	-	172,79.65
(e) Miscellaneous income	5,26.90	333,76.62
Total	5,28.48	3618,64.99

(₹ in lakhs)

23. Employee benefits expenses	For the year ended	For the year ended
	March 31	March 31
	2024	2023
(a) Salaries	71.39	270,96.39
(b) Contribution to provident and other funds	3.49	16,06.75
(c) Staff welfare expenses	-	16,88.67
Total	74.88	303,91.81

(₹ in lakhs)

24. Finance Costs	For the year ended	For the year ended
	March 31	March 31
	2024	2023
(a) Interest on borrowings	25,26.85	1362,47.55
(b) Interest on debt securities	-	540,14.82
(c) Interest on subordinated liabilities	-	137,75.02
(d) Interest expense on lease liability	-	6,44.85
(e) Other finance charges	-	34.42
Total	25,26.85	2047,16.66

(₹ in lakhs)

25. Impairment on financial instruments and other assets	For the year ended	For the year ended
	March 31	March 31
	2024	2023
Loans measured amortised cost		
(a) Allowance for loan losses	-	(106,36.89)
(b) Loans written off	-	1628,20.14
(net of recoveries Nil for the year ended March 31, 2024; ₹ 143,65.68 lakhs for year ended March 31, 2023)		
Loans measured fair value through other comprehensive income		
(a) Allowance for loan losses-FVOCI	-	179,39.99
Other assets		
(a) Allowance for doubtful assets	1,25.88	(12,74.47)
(b) Balances written off	68.66	3.69
Total	1,94.54	1688,52.46

Notes forming part of financial statements for the year ended March 31, 2024

(₹ in lakhs)

26. Other expenses	For the year ended	
	March 31	March 31
	2024	2023
(a) Rent, taxes and energy costs	5.60	13,37.61
(b) Repairs and maintenance	1.04	3,72.23
(c) CSR expense	-	60.10
(d) Communication costs	-	5,59.75
(e) Printing and stationery	0.60	2,19.60
(f) Advertisement and publicity	0.34	6,37.03
(g) Director's fees, allowances and expenses	16.03	60.30
(h) Auditor's fees and expenses (Refer Note i)	24.92	1,02.17
(i) Legal and professional charges	72.58	52,98.91
(j) Insurance	0.11	55,28.82
(k) Commission	-	66,58.87
(l) Service provider fees	60.86	222,53.78
(m) Net loss on derecognition of property, plant and equipment	4,73.75	22.46
(n) Travelling and conveyance	4.96	11,99.92
(o) Cenvat credit reversal	-	49,41.74
(p) Others expenses	16.26	118,05.03
Total	6,77.05	610,58.32

(₹ in lakhs)

(i) Auditors' remuneration (excluding taxes):	For the year ended	
	March 31	March 31
	2024	2023
(a) As auditors - statutory audit	10.00	74.53
(b) Tax audit	11.50	10.00
(c) For other services	-	15.25
(d) Reimbursement of out of pocket expenses	3.42	2.39
Total	24.92	1,02.17

(ii) Corporate social responsibility

(₹ in lakhs)

Particulars	For the year ended	
	March 31	March 31
	2024	2023
Amount required to be spent by the company during the year	-	26.91
Amount of expenditure incurred	-	1,79.83
Excess/(Shortfall) at the end of the year	-	33.19
Total of previous years excess/(shortfall)	-	(1,19.73)

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

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27 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) with a corresponding adjustment against negative balance in demerger reserve arising on

Appointed date for the scheme is April 1, 2023. The Reserve Bank of India gave its no-objection for the Scheme. The Scheme has been approved by Hon'ble National Company Law Tribunal, Mumbai bench on May 12, 2023, for which the final order was received on June 15, 2023. The Company received all other necessary regulatory approvals and the scheme is effective from June 30, 2023.

The Company accounted for transfer of net assets of Rs. 957,48.32 lakhs in accordance with the accounting principles generally accepted in India with a corresponding debit to Demerger Reserve.

Net Assets of NBFC underking are as follows:

Particulars	(₹ in lakhs)	
	At April 01, 2023	
	2023	
Assets		
Financial assets		
Cash and cash equivalents		3224,89.14
Bank balance other than cash and cash equivalents		61,41.91
Derivative financial instruments		96,99.07
Receivable		
i. Trade receivables		23,96.19
ii. Other receivables		2,37.54
Loans		23756,33.22
Investments		1440,77.37
Other financial assets		796,12.06
		29402,86.50
Non-Financial assets		
Deferred tax assets (net)		220,47.12
Property, plant and equipment		95,07.25
Other intangible assets		2,24.14
Other non-financial assets		118,79.42
Assets held for sale		436,57.93
Total assets (A)		30010,07.99
Liabilities and equity		
Financial liabilities		
Derivative financial instruments		
Payables		14,86.64
i. Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises		10,67.67
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		193,51.93
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		104,29.94
Debt securities		6219,10.58
Borrowings (other than debt securities)		16819,21.31
Subordinated liabilities		1311,67.23
Other financial liabilities		791,59.08
		25464,94.38
Non-financial liabilities		
Provisions		90,73.63
Other non-financial liabilities		62,36.71
		153,10.34
Equity		
Instruments entirely equity in nature		1348,00.00
Other equity		2086,54.95
		3434,54.95
Total liabilities and equity (B)		29052,59.67
Net assets (C) = (A) – (B)		957,48.32

In accordance with the Scheme, Securities premium of Rs.49,36.55 lakhs (post leaving an amount of Rs. 85,98 lakhs to have the paid-up value to nearest 10 paise), capital redemption reserve of Rs. 0.00 lakhs (less than Rs. 100/-), Capital reserve of Rs. 2,35.80 lakhs, General reserve of Rs.22.07 lakhs and equity share capital of Rs.942,43.25 lakhs has been reduced against debit balance of Rs.957,48.32 lakhs in Demerger Reserve and Rs.36,89.34 lakhs in retained earnings.

Tata Motors Finance solutions Limited (TMFSL) has issued 32,68,89,441 number of equities share of face value of Rs. 100 each as consideration of NBFC undertaking to the shareholders of the Company.

Due to transfer of the NBFC undertaking as mentioend above, current year figures are not comparable with previous year's figures. For the year ended March 31, 2023, financial statements were presented in accordance with Division III - Schedule III to the Companies Act, 2013 for NBFC that is required to comply with Ind As. For the year ended March 31, 2024, financial statements are presented in accordance with Division II - Schedule III to the Companies Act, 2013.

28. 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.

Particulars	(₹ in lakhs)	
	For the year ended March 31 2024	For the year ended March 31 2023
Basic		
Weighted average no. of equity shares outstanding	9,79,65,969	8,88,43,865
Net profit/(Loss) attributable to equity share holders (Refer Note 1)	(10,78.11)	(1165,67.32)
Basic earnings per share (₹)	(1.10)	(131.20)
Diluted		
Weighted average no. of equity shares outstanding	9,79,65,969	888438,65.00
Net profit/(Loss) attributable to equity share holders (Refer Note 1)	(10,78.11)	(1165,67.32)
Diluted earnings per share (₹)	(1.10)	(131.20)
Face value per share (₹)	3.80	100
Note 1 - Calculation of net profit attributable to equity share holders		
Profit after tax as per statement of profit and loss	(10,78.11)	(1033,19.07)
Less - Distribution made to holders of perpetual instruments	-	(132,48.25)
Net profit/ (Loss) attributable to equity share holders	(10,78.11)	(1165,67.32)

29. Segment reporting

The Company is primarily engaged in the Post demerger of NBFC undertaking during the quarter, the Company is now primarily engaged in the business of operating lease and the operations being only in India, the disclosure requirements of Ind AS - 108 Segment Reporting are not applicable.

30. Contingent liabilities and commitments :-

1 Contingent liabilities to the extent not provided for:

a) Claims against the Company not acknowledged as debts:

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
In respect of consumer disputes	-	28,07.83
In respect of bonus under the Payment of Bonus (Amendment) Act, 2015	-	-
Total	-	28,07.83

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

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
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.

c) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable and consequently no financial effect has been provided for in the financial statements. As a matter of caution, the Company has complied with the aforesaid order on a prospective basis from the date of the SC order. The Company will reassess the position on receiving any further update or clarity on the subject.

2 Commitments:

Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil (as at March 31, 2023: ₹ 50.85 lakhs).

Other commitments

Loan commitment towards vehicle financing ₹ Nil (as at March 31, 2023: ₹ 27.09 lakhs).

31. 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 Limited (formerly known as Tata Motors Finance Solutions Limited)
TML Business Services Limited (formerly known as Concorde Motors (India) Limited)

- (iii) Tata Sons and its subsidiaries and Joint arrangements

Tata Sons Private Limited

C Key Management personnel :

Mr. Samrat Gupta - Managing Director & Chief Executive Officer (upto June 30 2023)
Mr. Naseer Munjes - Chairman & Independent Director
Ms. Vedika Bhandarkar - Independent Director
Mrs. Varsha Purandare - Independent Director
Mr. N.V. Sivakumar - Independent Director
Mr. Shyam Mani - Non-Executive Director (upto 1st August, 2023)
Mr. Dhiman Gupta - Non-Executive Director (w.e.f May 24, 2022)
Mr. Vinu Nair - Manager (from 1st July 2023)
Ms. Ridhi Gangar - Chief Financial Officer (upto June 30 2023)
Mr. Uday Uchil - Chief Financial Officer (from 1st July 2023)
Mr. P. B. Balaji - Non-Executive Director
Mr. Vinay Lawannis - Company Secretary (upto June 30, 2023)
Mr. Neeraj Dwevedi - Company Secretary (from 1st July 2023)
Mr. P. S. Jayakumar - Independent Director (upto July 9, 2023)

The following table summarizes related-party transactions for the year ended March 31, 2024 and balances as at March 31, 2024

Particular	(₹ in lakhs)			
	Ultimate Holding	Holding Company	Other Related Parties	Total
a) Transactions during the year				
Other Income	35.58	-	-	35.58
Expenses for other services (incl. reimbursement of expenses)	2.25	-	95.88	98.13
Interest Expenses	-	25,14.04	12.81	25,26.85
Rent Expenses (refer note (i))	-	2.16	-	2.16
Other Expenses	-	-	7.68	7.68
Loans and advances taken	-	372,00.00	262,00.00	634,00.00
Loans and advances repaid	-	402,05.16	262,00.00	664,05.16

Particular	(₹ in lakhs)			
	Ultimate Holding	Holding Company	Other Related Parties	Total
b) Closing balance				
Other receivables	35.58	-	-	35.58
Payable - loans and advances	-	269,00.00	-	269,00.00
Other payables	2.03	0.28	1,67.17	1,69.48

Particular	(₹ in lakhs)			
	Ultimate Holding	Holding Company	Other Related Parties	Total
c) Max balance during the year				
Other Receivables	35.58	-	-	35.58
Payable - loans and Advances	-	399,05.16	-	399,05.16
Other Payables	2.03	1.56	2,20.04	2,23.63

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

Particular	(₹ in lakhs)			
	Ultimate Holding	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 taken	-	1900,00.00	-	1900,00.00
Loans and advances repaid	-	1600,00.00	-	1600,00.00
Loans and advances given	1470,00.00	355,00.00	-	1825,00.00
Loans and advances recovered	1470,00.00	355,00.00	-	1825,00.00
Issue of share capital (including share premium)	-	700,36.46	-	700,36.46
Purchase of fixed assets	9,74.65	-	-	9,74.65

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(₹ in lakhs)

b) Closing balance	Ultimate Holding	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) Max balance during the year	Ultimate Holding	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

d) Intra Group Exposure	Ultimate Holding	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 borrowers/customers			1.15%	

Note:

- (i) Company had 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 recognized the Right of use assets and corresponding lease liability. Rent expenses includes NIL (₹ 23.15 lakhs for year March 31, 2023) which has been adjusted against the outstanding lease liability in accordance with Ind AS 116.

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

(₹ in lakhs)

a) Transactions during the year	As at March 31 2024	As at March 31 2023
Distributions made for Instruments entirely equity in nature	-	10.25
Interest paid on unsecured perpetual debentures	-	2.91

(₹ in lakhs)

b) Balances as at	As at March 31 2024	As at March 31 2023
Net payable - Unsecured perpetual debentures	-	1,30.00

(c) Key management personnel remuneration

(₹ in lakhs)

Particulars	As at March 31 2024	As at March 31 2023
Short term employee benefits (refer notes below)	-	7,58.43
Total	-	7,58.43

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 information.
(ii) Includes sitting fees paid to independent directors ₹ 16.03 lakhs and ₹ 60.30 lakhs for the period ended ended March 31, 2024 and March 31, 2023 respectively.

32. Employee benefit

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 ₹ 0.71 lakhs (previous year ₹ 82.86 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

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Defined benefit obligation, beginning of the year	45,19.16	47,58.35
Current service cost	0.58	4,49.42
Interest cost	0.21	3,15.61
Remeasurement (gains) / losses		
Actuarial (gain) /losses arising from change in financial assumptions	0.23	9.72
Actuarial (gain) /losses arising from change in demographic assumptions	0.91	(50.20)
Actuarial (gain) /losses arising from change in experience adjustments	1.63	(3,37.34)
Transfer-out on account of demerger	(45,16.18)	
Benefits paid from plan assets	-	(6,26.40)
Defined benefit obligation, end of the year	<u>6.54</u>	<u>45,19.16</u>

b) Changes in plan assets

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Fair value of plan assets, beginning of the year	45,75.75	42,75.14
Interest Income on plan assets	0.22	2,98.45
Remeasurement gains / (losses)		
Return on plan assets, (excluding amount included in net interest expense)	3.30	1,45.35
Transfer-out on account of demerger	(45,72.73)	-
Employer's contribution	-	4,83.21
Benefits paid	-	(6,26.40)
Fair value of plan assets, end of the year	<u>6.54</u>	<u>45,75.75</u>

c) Amount recognised in balance sheet consists of:

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Present value of defined benefit obligation	(6.54)	(45,19.16)
Fair value of plan assets	6.54	45,75.75
Net Assets/ (Liability)	<u>0.00</u>	<u>56.59</u>

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

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Current Service Cost	0.58	4,49.42
Interest on Defined Benefit Obligations (Net)	(0.01)	17.16
Net Charge to the Statement of Profit and Loss	<u>0.57</u>	<u>4,66.58</u>

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

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/(income)	(3.30)	(1,45.35)
Actuarial (gain) /losses arising from change in demographic assumptions	0.91	(50.20)
Actuarial (gain) /losses arising from change in financial assumptions	0.23	9.72
Actuarial (gain) /losses arising from change in experience adjustments	1.63	(3,37.34)
Net Impact on the other comprehensive income before tax	<u>(0.53)</u>	<u>(5,23.17)</u>

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

Particulars	(₹ In lakhs)	
	As at March 31 2024	As at March 31 2023
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 2024	As at March 31 2023
	Discount rate	7.00%
Expected return on plan assets	7.20%	7.10%
Salary Escalation rate	7.00%	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:

Particulars	(₹ In lakhs)	
	As at March 31 2024	As at March 31 2023
Within next 12 months (next annual reporting period)	0.01	5,00.48
Between 1 and 5 years	0.09	23,31.89
Between 5 and 9 years	0.48	33,26.30

i) Quantitative sensitivity analysis for significant assumptions:

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
100 bps increase in discount rate	(1.07)	(2,74.42)
100 bps decrease in discount rate	1.30	3,07.75
100 bps increase in salary escalation rate	1.29	3,04.76
100 bps decrease in salary escalation rate	(1.08)	(2,76.50)

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 2024	As at March 31 2023
	The weighted average duration of the defined benefit obligation	19.29

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

Particulars	(₹ in lakhs)	
	As at March 31 2024	
Expected contribution to the funded gratuity plans in next financial year.	1.11	

l) Risk Exposure

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

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

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

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33. 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, 2024

(₹ in lakhs)						
Financial assets	Amortised cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
Current						
(a) Trade receivables	8,37.09	-	-	-	-	8,37.09
(b) Cash and cash equivalents	3,37.60	-	-	-	-	3,37.60
(c) Bank Balances	99.00	-	-	-	-	99.00
(d) Other financial assets	4,42.29	-	-	-	-	4,42.29
Total	17,15.98	-	-	-	-	17,15.98

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
Non Current						
(a) Other financial liabilities	526.38	-	-	-	-	526.38
Current						
(a) Borrowings	269,00.00	-	-	-	-	269,00.00
(c) Trade payables	2,05.87	-	-	-	-	2,05.87
(d) Other financial liabilities	6,42.72	-	-	-	-	6,42.72
Total	282,74.97	-	-	-	-	282,74.97

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
Non Current						
(a) Investments	799,35.15	129,96.52	185,37.62	-	-	1,114,69.29
(b) Loans	6,292,91.41	-	-	-	-	6,292,91.41
(c) Bank balances	53,18.77	-	-	-	-	53,18.77
(d) Other financial assets	29,66.79	-	-	-	96,99.07	1,26,65.86
Current						
(a) Investments	109,46.31	-	216,61.77	-	-	3,26,08.08
(b) Loans	4,722,99.88	1,27,40,41.93	-	-	-	17,46,34,18.1
(c) Trade receivables	29,97.01	-	-	-	-	29,97.01
(d) Cash and cash equivalents	3,227,01.92	-	-	-	-	3,227,01.92
(e) Bank balances	8,23.14	-	-	-	-	8,23.14
(f) Other financial assets	768,82.81	-	-	-	-	768,82.81
Total	16,041,63.19	1,28,70,38.45	4,01,99.39	-	96,99.07	2,94,11,00.10

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
Non Current						
(a) Borrowings	11,955,38.88	-	-	-	-	11,955,38.88
(b) Lease Liabilities	68,87.40	-	-	-	-	68,87.40
(c) Other financial liabilities	19,37.72	-	-	-	14,86.64	34,24.36
Current						
(a) Borrowings	12,693,65.40	-	-	-	-	12,693,65.40
(b) Lease Liabilities	13,62.24	-	-	-	-	13,62.24
(c) Trade payables	217,12.98	-	-	-	-	217,12.98
(d) Other financial liabilities	786,92.96	-	-	-	-	786,92.96
Total	25,754,97.58	-	-	-	14,86.64	25,769,84.22

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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	Carrying value	Fair value	As at March 31, 2023			Total
			Level 1	Level 2	Level 3	
Financial assets measured at fair value						
Non Current						
(a) Investments	315,34.14	315,34.14	77,29.16	-	238,04.98	315,34.14
(b) Other financial assets- Derivative instruments	96,99.07	96,99.07	-	96,99.07	-	96,99.07
Current						
(a) Investments	216,61.77	216,61.77	216,61.77	-	-	216,61.77
(b) 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	Carrying value	Fair value	As at March 31, 2023			Total
			Level 1	Level 2	Level 3	
Financial assets measured at amortised cost for which fair value is disclosed						
(a) Loans current and Non current	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	Carrying value	Fair value	As at March 31, 2023			Total
			Level 1	Level 2	Level 3	
Financial liabilities measured at fair value						
(a) Other financial assets- Derivative instruments	14,86.64	14,86.64	-	14,86.64	-	14,86.64
Total	14,86.64	14,86.64	-	14,86.64	-	14,86.64

Particulars	Carrying value	Fair value	As at March 31, 2023			Total
			Level 1	Level 2	Level 3	
Financial liabilities measured at amortised cost for which fair value is disclosed						
(a) Borrowings Current and Non current	4349,57.60	4337,41.53	-	4337,41.53	-	4337,41.53
Total	4349,57.60	4337,41.53	-	4337,41.53	-	4337,41.53

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, 2024 and March 31, 2023.

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, 2024 and March 31, 2023.

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.

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Certain unquoted equity instruments classified 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 :

Particulars	(₹ in lakhs)	
	For the period ended March 31	For the period ended March 31
	2024	2023
Balance at the beginning of the year	12978,46.91	12576,81.48
Transferred Pursuant to Common Control transaction- Refer note 27	(12978,46.91)	-
Additions during the year	-	3530,26.85
Mark to Market (loss)/gain recognized in OCI	-	(251,54.59)
Mark to Market gain recognized in P&L	-	6,41.47
Realised during the year	-	(2883,48.30)
Balance at the end of the year	-	12978,46.91

34. 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 5).

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:

Particulars	(₹ in lakhs)			
	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Right-of-use assets	Other financials liabilities	Right-of-use assets	Other financials liabilities
	Buildings (Audited)	Lease Liabilities (Audited)	Buildings (Audited)	Lease Liabilities (Audited)
Balance at the beginning of the year	73,92.70	82,49.64	66,17.53	72,09.09
Transferred Pursuant to Common Control transaction- Refer note 27	(73,92.70)	(82,49.64)	-	-
Additions	-	-	24,94.70	24,94.70
Deletions	-	-	(1,73.75)	(56.62)
Depreciation expense	-	-	(15,45.78)	-
Interest expense	-	-	-	6,44.85
Payments	-	-	-	(20,42.38)
Balanced at the end of the year	-	-	73,92.70	82,49.64

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

Set out below, are the amounts recognised in profit and loss	(₹ in lakhs)	
	For the year ended March 31	For the year ended March 31
	2024	2023
Depreciation expense of right-of-use assets	-	15,45.78
Interest expense on lease liabilities	-	6,44.85
Rent expense- Short term leases	-	5,68.90
Leases of low value assets	-	3.68
Variable lease payments (not being linked to any index or rate)	-	-

35. Finance Lease receivables

The Company had entered into lease arrangements as a lessor that are considered to be finance leases. The Company was leases vehicles on finance lease and as it was 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:

Particulars	(₹ in lakhs)	
	As at March 31	As at March 31
	2024	2023
Less than 1 year	-	35,14.04
1-2 years	-	25,60.94
2-3 years	-	17,99.03
3-4 years	-	14,94.96
4-5 years	-	3,72.91
more than 5 years	-	-
Total undiscounted lease payments receivable	-	97,41.88
Unearned finance income	-	(15,87.38)
Net investment in the lease	-	81,54.50

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

Particulars	(₹ in lakhs)	
	For the year	For the year ended
	ended March 31	March 31
	2024	2023
Finance income on the net investment in the lease	-	8,31.04

36. Reconciliation of Movement in Borrowings to cash flows from financing activities

Particulars	(₹ in lakhs)					
	As at April 01,	Transferred	Cash flows (net)	Exchange difference	Amortisation / EIR adjustments	As at March 31,
	2023	Pursuant to Common Control transaction- Refer note 27				
Short-term borrowings	4901,07.45	(4602,02.29)	(30,05.16)	-	-	26,900.00
Long-term borrowings	19747,96.83	(19747,96.83)	-	-	-	-
Total	24649,04.28	(24349,99.12)	(30,05.16)	-	-	269,00.00

Particulars	(₹ in lakhs)					
	As at April 01, 2022	Cash flows (net)	Exchange difference	Amortisation / EIR adjustments	As at March 31,	
	2023					
Short-term borrowings	8110,00.00	(3078,00.00)	-	(130,92.55)	4901,07.45	
Long-term borrowings	20135,82.62	(458,08.73)	4,21.83	66,01.11	19747,96.83	
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.

37. 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, 2024, 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, 2024 was Nil (March 31, 2023: ₹ 151,96.46 lakhs 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(viii) - Accounting policies.

The following table provides information about the credit quality of financial assets and impairment loss
The ageing of loans as of balance sheet date is given below. The ageing analysis have been considered from the due date.

(₹ in lakhs)

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 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
Transfers during the year								
Transferred Pursuant to Common Control transaction- Refer note 27	(20399,61.70)	(158,30.67)	(2231,12.66)	(138,41.25)	(2874,79.42)	(1452,48.60)	(25505,53.76)	(1749,20.53)
	(20399,61.70)	(158,30.67)	(2231,12.66)	(138,41.25)	(2874,79.42)	(1452,48.60)	(25505,53.76)	(1749,20.53)
Impact of change in credit risk on account of stage movement	-	-	-	-	-	-	-	-
Changes in Opening Credit Exposure	-	-	-	-	-	-	-	-
New Credit Exposure during the year (net of repayments)	-	-	-	-	-	-	-	-
Amount Written off During the year	-	-	-	-	-	-	-	-
As at 31st March 2024	-	-	-	-	-	-	-	-

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

(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, 2024:

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	(₹ in lakhs)
						Total contractual cash flows
Non derivatives financial liabilities						
Borrowings	269,00.00	269,00.00	-	-	-	269,00.00
Trade payable	1,94.53	1,94.53	-	-	-	1,94.53
Other financial liabilities	11,69.10	6,42.72	1,66.21	3,60.17	-	11,69.10
Total	282,63.63	277,37.25	1,66.21	3,60.17	-	282,63.63

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:

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	(₹ in lakhs)
					Total contractual cash flows
Collateralized debt obligations	-	-	-	-	-

The table below provides details regarding the contractual maturities of financial liabilities, including estimated/contractual interest payments as at March 31, 2023:

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	(₹ in lakhs)
						Total contractual cash flows
Non derivatives						
Borrowings	24649,04.28	13960,08.35	7075,77.99	5800,16.64	603,27.67	27439,30.65
Trade and other payables	217,12.98	217,12.98	-	-	-	217,12.98
Lease liabilities	82,49.64	19,82.30	19,59.47	44,17.59	20,78.92	104,38.28
Other financial liabilities	806,30.68	796,65.43	1,75.01	7,90.24	-	806,30.68
Derivatives						
Derivative contracts	14,86.64	-	1,486.64	-	-	14,86.64
Total	25769,84.22	14993,69.06	7111,99.11	5852,24.47	624,06.59	28581,99.23

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:

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

(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 a 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:

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
Non derivative Financial Liabilities		
Variable rate borrowings*	-	15309,19.25

* 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 NIL and ₹ 153,09.19 lakhs on income for the year ended March 31, 2024 and March 31, 2023 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, 2024 and March 31, 2023 was NIL and ₹ 310,44.80 lakhs respectively.

Particulars	(₹ in lakhs)			
	Impact on profit for the year		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Equity price Sensitivity				
Increase in equity price by 10 %*	-	18,04.83	-	12,99.65
Decrease in equity price by 10 %*	-	(18,04.83)	-	(12,99.65)

(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 17 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	As at March 31
	2024	2023
CRAR (%) *	-	24.00%
CRAR - Tier I capital (%)	-	13.14%
CRAR - Tier II capital (%)	-	10.86%

*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.

38 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:

Nature of Assets	₹ in lakhs			
	As at March 31, 2024		As at March 31, 2023	
	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

Net of provision of NIL and ₹ 2,60.36 lakhs as at March 31, 2024, and March 31, 2023 respectively.

39. Other disclosures

- No penalties were imposed by RBI and other regulators during the financial year 2023-24. (financial year 2022-23: Nil)
- The Company did not have any exposure in real estate sector during the financial year 2023-24. (financial year 2022-23: Nil)
- The Company did not exceed the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2023-24. (financial year 2022-23: Nil)
- The Company was registered with Reserve Bank of India as a Systemically Important Non Deposit Taking Non Banking Financial Company. During financial year 2023-24, the company has surrendered the NBFC license of Reserve bank of India due to demerger of its NBFC undertaking .
- The Company did not drawn down any amounts from the reserves during the financial year 2023-24 except as disclosed in Statement of Changes in Equity. (financial year 2022-23: Nil)
- The Company did not sold any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year 2023-24. (financial year 2022-23: Nil)
- The Company did not purchased any non-performing financial assets during the financial year 2023-24. (financial year 2022-23: Nil)
- The Company did not have any exceptional items of income and expenditure during the financial year 2023-24. (financial year 2022-23: Nil)
- The Company did not have any divergence in provisioning and gross NPA reported by company and assessed by RBI in inspection report for FY 21-22.
- 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.
- Overseas assets (for those with joint ventures and subsidiaries abroad)**
The Company does not have any joint venture or subsidiary abroad, hence not applicable.
- Unsecured advances**
As at March 31, 2024, the amount of unsecured advances stood at NIL (March 31, 2023: Rs. 304,91.16 Lakhs).
The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

39 A. 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.

39 B. Ratios

Particulars	Year ended March	Year ended March
	2024	2023 (Refer note 1)
(a) Current Ratio Current assets/Current liabilities	0.13	NA
(b) Debt – Equity Ratio [Total Debt/ Shareholders' Equity]	9.85	NA
(c) Debt Service Coverage Ratio [(Profit/(loss) before exceptional items and tax+Interest on Borrowings)/(Interest on Borrowings + Net repayment of Borrowings)]	0.16	NA
(d) Return on Equity (ROE) [Net profit after tax / Average shareholders' equity]	(0.02)	NA
(e) Trade receivables turnover ratio [Revenue from operations / Average Trade receivables]	4.92	NA
(f) Trade payables turnover ratio (Refer Note 2) [Cost of material consumed / Average Trade payables]	NA	NA
(g) Net capital turnover ratio [Revenue from operations / Working capital]	(0.21)	NA
(h) Net profit ratio [Net profit after tax / Revenue from continuing operations]	(0.21)	NA
(i) Return on capital employed (ROCE) [Profit before interest and tax / Capital employed]	0.03	NA

Notes:-

- The Company was NBFC for the year ended March 31, 2023 and the financial statements of the Company were presented as per Division III of Schedule III to the Companies Act, 2013 which did not require above mentioned disclosure. Hence, ratios are not presented for comparative year. Refer note 27.
- No trade payable related to operating lease business is outstanding for year ended March 31, 2024.

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

a. Title deed of immoveable properties

There is no immoveable properties are held in the name of Company. Hence, other disclosure requirements are not applicable.

b. As at March 31, 2024 and as at March 31, 2023, 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, 2024 and Nil at March 31, 2023.

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

e. Borrowings from banks or financial institutions

During the year and post transfer of NBFC business, the Company has not 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.

f. Wilful Defaulter

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

g. During the year ended 31.03.2024 and 2023, 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, 2024 and at March 31, 2023, 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, 2024 and March 31, 2023 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, 2024 and March 31, 2023.

41. Asset Held for sale

The Company had acquired underlying collateral in satisfaction of its receivable from certain borrowers and has classified those assets as held for sale. As at March 31, 2024 assets held for sale amounted to Nil (as at March 31, 2023 ₹ 170,63.56 lakhs). The Company was expects to dispose off these assets in open market within next 1 year.

42. 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. 50,40.46 lakhs (Previous year: 49,58.85 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-

Particulars	(₹ in lakhs)	
	As at March 31	As at March 31
	2024	2023
Within 1 year	38,12.87	31,17.15
1-2 years	10,49.22	16,83.83
2-3 years	8,02.68	6,71.64
3-4 years	3,38.72	4,72.27
4-5 years	55.84	1,07.34
Total	60,59.33	60,52.23

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

Disclosure as mandatory by Reserve Bank of India

The Company has surrendered the Certificate of Registration (CoR) granted by the Reserve Bank of India (RBI) as result of demerger (for more detail, please refer note no. 27) of the Non-Banking Finance related business ("NBFC Undertaking") of the Company through the Scheme of demerger which came in to effect from June 30, 2023 with appointed date for the scheme is April 1, 2023.

following RBI disclosures were applicable till previous year and are not applicable post demerger of the NBFC undertaking , however reproduce all below RBI disclosure for comparative year.

43. 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

This disclosure is not applicable for March 31, 2024.

This disclosure is for March 31, 2023.

Particulars	(₹ in lakhs)		
	As at March 31, 2023		
	Current	Non current	Total
I ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	3227,01.92	-	3227,01.92
(b) Bank Balance other than cash and cash equivalents	8,23.14	53,18.77	61,41.91
(c) Derivative financial instruments	-	96,99.07	96,99.07
(d) Receivables			
i. Trade receivables	29,97.01	-	29,97.01
ii. Other receivables	2,37.54	-	2,37.54
(e) Loans	17463,41.81	6292,91.41	23756,33.22
(f) Investments	326,08.08	1114,69.29	1440,77.37
(g) Other financial assets	766,45.27	29,66.79	796,12.06
2 Non-financial assets			
(a) Current tax assets (net)	-	205,34.70	205,34.70
(b) Deferred tax assets (net)	-	219,54.00	219,54.00
(c) Property, plant and equipment	-	200,33.12	200,33.12
(d) Capital work-in-progress	-	-	-
(e) Other intangible assets	-	2,24.14	2,24.14
(f) Other non-financial assets	113,16.57	19,66.94	132,83.51
3 Assets held for sale	170,63.56	-	170,63.56
Total assets	22107,34.90	8234,58.23	30341,93.13
II LIABILITIES			
1 Financial liabilities			
(a) Derivative financial instruments	-	14,86.64	14,86.64
(b) Payables			
i. Trade payables			
- total outstanding dues of micro enterprises and small enterprises	10,67.67	-	10,67.67
- total outstanding dues of creditors other than micro enterprises and small enterprises	193,51.93	-	193,51.93
ii. Other payables			
- total outstanding dues of micro enterprises and small enterprises			
Other payables	104,34.94	-	104,34.94
(c) Debt securities	4255,02.90	1964,07.68	6219,10.58
(d) Borrowings (Other than debt securities)	8208,81.73	8909,44.74	17118,26.47
(e) Subordinated liabilities	229,80.77	1081,86.46	1311,67.23
(f) Other financials liabilities	696,20.26	88,25.12	784,45.38
2 Non-financial liabilities			
(a) Current tax liabilities (net)	3.02	-	3.02
(b) Provisions	14,65.12	76,80.09	91,45.21
(c) Other non-financial liabilities	63,42.12	-	63,42.12
Total liabilities	13776,50.46	12135,30.73	25911,81.19
Net	8330,84.44	(3900,72.50)	4430,11.94

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)

44A. Asset Liability Maturity Pattern of certain items of assets and liabilities
This disclosure is not applicable for March 31, 2024

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	₹ in lakhs
1 Deposits		1636,47.83	1309,54.48	102,75.07	1,23.85	35.13	29,26.12	5,43.08	-	-	-	3085,05.56	
2 Advances		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	
3 Investments		207,12.67	-	10,946.31	-	-	-	-	-	-	1124,18.39	1440,77.37	
4 Borrowings		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	
5 Foreign Currency liabilities		-	-	-	-	-	-	-	819,40.72	-	-	819,40.72	

Notes:

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

44B. Capital to Risk Assets Ratio (CRAR)

The ratios calculated in accordance with the guidelines of the Reserve Bank of India, are as under:
This disclosure is not applicable for March 31, 2024

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

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)

44C. Perpetual debt instruments

This disclosure is not applicable for March 31, 2024

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

44D.

Disclosure on securitisation/direct assignment of standard assets

This disclosure is not applicable for March 31, 2024

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	
1 No. of special purpose vehicles (SPVs) sponsored by the Company for securitisation transactions		2
2 Total amount of securitised assets as per books of the SPVs sponsored by the Company (as certified by the SPV's auditors)	120,72.74	
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	
Others	22,40.12	
4 Amount of exposures to securitisation transactions other than MRR		
a. Off-balance sheet exposures		
i) Exposures to own securitizations		
First loss		-
Bank Guarantee		-
Excess Interest Spread	2,24.92	
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)		-
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

This disclosure is not applicable for March 31, 2024

Particulars	(₹ in lakhs)	
	As at March 31	
	2023	
1 No. of contracts assigned during the year		210,57.00
2 Aggregate value (net of provisions) of accounts sold*	2801,65.61	
3 Aggregate consideration	2801,65.61	
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.

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

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)

44E. Disclosure of restructured advances

This disclosure is not applicable for March 31, 2024

For the previous year i.e. financial year 2022-23

Type of Restructuring => Asset Classification =>		Others				Total
		Standard	Sub-standard	Doubtful	Loss	
1 Restructured accounts as on April 1, 2022 [opening figures]	No. of Borrowers	13	-	96	-	109
	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)	-	-
	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)	-	(10)	-	(11)
	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)	-	(42)
	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	-	46	-	56
	Amount Outstanding	86.45	-	6,78.27	-	7,64.72
	Provision Amount	6.39	-	1,79.02	-	1,85.41

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

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
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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)

44F. Break up of 'Provisions and Contingencies' shown under the head 'Expenditure' in the Statement of Profit and Loss

This disclosure is not applicable for the year ended March 31, 2024.

	(₹ in lakhs)
Particulars	For the year ended 2023
1 Provision for doubtful loans and advances (others)	(12,74.47)
2 Provision for doubtful Loans	73,03.10
3 Provision made towards income tax	(5,55.62)
4 Provision on consumer disputes	47.01
5 Provision on indirect taxes	2,65.91

44G. Investments

This disclosure is not applicable for March 31, 2024

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

44H. Capital Market

This disclosure is not applicable for March 31, 2024

	(₹ in lakhs)
Particulars	As at March 31 2023
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
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	4,89.34
(ii) Category II	-
(iii) Category III	-
	430,85.65

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

- 44I. Ratings assigned by credit rating agencies and migrations of ratings in respect of all credit facilities and debt instruments during the year:
This disclosure is not applicable for March 31, 2024

Rating agency	Year ended	Long-term bank facilities	Short-term bank facilities	Secured Non-convertible debentures	Instruments		Commercial papers	Perpetual debt
					Unsecured subordinated Tier II NCDs			
1	CRISIL	March 31, 2023	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
3	CARE	March 31, 2023	CARE AA-/STABLE	NA	CARE AA-/STABLE	CARE AA-/STABLE	CARE A1+	CARE A / STABLE

- 44J. Details of financing of parent company's products
This disclosure is not applicable for March 31, 2024

Particulars	(₹ in lakhs)	
	As at March 31	
	2023	
	No's	Amount
1 Commercial vehicle#	64,304	10357,39.00
2 Passenger vehicle#	4,201	359,17.00

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

- 44K. Concentration of advances
This disclosure is not applicable for March 31, 2024

Particulars	(₹ in lakhs)	
	As at March 31	
	2023	
1 Total advances to twenty largest borrowers / customer	878,51.39	
2 Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	3.44%	

- 44L. Concentration of exposures
This disclosure is not applicable for March 31, 2024

Particulars	(₹ in lakhs)	
	As at March 31	
	2023	
1 Total exposure to twenty largest borrowers / customer	878,51.39	
2 Percentage of exposures to twenty largest borrowers / customer to total exposure of the NBFC on borrowers / customer	3.44%	

- 44M. Concentration of NPAs
This disclosure is not applicable for March 31, 2024

Particulars	(₹ in lakhs)	
	As at March 31	
	2023	
1 Total exposure to top four NPA accounts	4,27.58	

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

44N. Sector-wise NPAs (Percentage of NPAs to total advances in that sector)

This disclosure is not applicable for March 31, 2024

		As at March 31, 2024			As at March 31, 2023		
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	2877,61.22	11.48%
	ii. Wholesale Loans	-	-	-	452,42.21	-	-
	Total				25514,25.36	2877,61.22	
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%

44O. Customer complaints

This disclosure is not applicable for March 31, 2024

Particulars	(Numbers)	
	As at March 31 2024	As at March 31 2023
1 No of complaints pending at the beginning of the year	796	410
1.1 Transferred Pursuant to Common Control transaction- Refer note 27**	(796)	
2 No of complaints received during the year*	-	9,056
3 No of complaints redressed during the year	-	8,670
3.1 No of which, number of complaints rejected by the NBFC	-	811
4 No of complaints pending at the end of the year	-	796
*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
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	164
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	6
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)

****This disclosure is not applicable for the year ended March 31, 2024. all these cases are related to NBFC operation of the Company which has been demerged to Tata Motors Finance Solutions (formerly TMFL).**

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
Previous Year					
Payment not reflecting	225	2807	75%	633	443
Any Notice / request from Advocates/ RTO	0	2011	NA	-	-
Not applied for a loan, but getting calls	36	1534	-38%	13	8
Renewed Insurance Policy Not received	12	528	23%	29	6
Recovery Agents/ Direct Sales Agents	0	494	-1%	-	-
Others	137	1682	-13%	121	90
Total	410	9056	31%	796	547

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

44P. Movement of NPAs

Particulars	(₹ in lakhs)	
	As at March 31 2024	As at March 31 2023
1 Net NPAs to net advances		5.91%
2 Movement of NPAs (Gross)		
(i) Opening balances	2877,61.22	3076,94.61
(ii) Transferred Pursuant to Common Control transaction- Refer note 27	(2877,61.22)	-
(iii) Additions during the year	-	2178,99.44
(iv) Reductions during the year	-	2378,32.83
(v) Closing balances	-	2877,61.22
3 Movement of Net NPAs		
(i) Opening balances	1422,74.59	1704,26.64
(ii) Transferred Pursuant to Common Control	(1422,74.59)	-
(iii) Additions during the year	-	468,60.64
(iv) Reductions during the year	-	750,12.69
(v) Closing balances	-	1422,74.59
4 Movement of provisions for NPAs (excluding provisions on standard assets)		
(i) Opening balances	1454,86.62	1372,67.97
(ii) Transferred Pursuant to Common Control	(1454,86.62)	-
(iii) Provisions made during the year	-	1710,38.79
(iv) Write-off / write-back of excess provisions	-	1628,20.14
(v) Closing balances	-	1454,86.62

44Q. Forward Rate Agreement / Interest Rate Swap

Particulars	(₹ in lakhs)	
	As at March 31 2023	
(i) The notional principal of swap agreements		718,60.00
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements		96,99.07
(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

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 37 for risk management policies adopted by the Company.

44R. Quantitative Disclosures

Particulars	(₹ in lakhs)	
	As at March 31 2023	
	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)		
For hedging	718,60.00	
(ii) Marked to Market Positions		
a) Asset (+)	85,92.87	11,06.20
b) Liability (-)	-	(14,86.64)
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

445. 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

This disclosure is not applicable for March 31, 2024

(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)	19323,41.22	59.10%
2 Collateralised 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 Non-convertible debentures (original maturity of less than one year) as a percentage of	13%	13%	11%
2 Other short-term liabilities as a percentage of	none	none	none
3	41%	41%	35%

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 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.

TMF Business Services Limited (FORMERLY KNOWN AS TATA MOTORS FINANCE LIMITED) (CIN - U45200MH1989PLC050444)
Notes forming part of financial statements for the year ended March 31, 2024

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)

44T. 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

This disclosure is not applicable for March 31, 2024

This disclosure is for March 31,2023

(₹ 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.

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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)

45.

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

This disclosure is not applicable for the year ended March 31, 2024.

This disclosure is for year ended March 23

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.

This disclosure is not applicable for March 31, 2024

Particulars	(₹ in lakhs)							
	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 (unencumbered)	-	-	-	-	-	-	-	-
(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	765,37.17	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
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 LIQUIDITY COVERAGE RATIO (%)		137%		162%		142%		127%

Notes:

- Total Unweighted Value (average) and Total weighted Value (average) are calculated taking simple averages of monthly observations for the respective quarter.
- Inflows from fully performing exposures represents inflow from both secured and unsecured loans and advances.

46. The Company transfer standard loans through Direct Assignment route. Following table provide the details of loan transferred during the year ended 31.03.2

This disclosure is not applicable for March 31, 2024

Particulars	For the year ended March 31 2023
Number of transactions	8
Number of loans assigned	20,461
Aggregate principal outstanding amount of loans assigned *	3012,48.00
Sale consideration	2711,23.00
Weighted average residual maturity (months)	44
Weighted average holding period (months)	10
Retention of beneficial economic interest	301,25.00
Tangible security coverage	100%
Rating wise distribution of rated loans assigned	NA
Number of instances (transactions) of replacing the transferred loans	NA
Number of transferred loans replaced	NA
* Indicates 100% principal outstanding amount as on loan assignment date	
**Excluding deal under co-lending arrangement of ₹ 113.03.00 Lakhs (Bank contribution is ₹ 90,43.00 Lakhs)	

47. 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 Nil during year ended March 31, 2024 (during the year ended March 31, 2023 ₹ 20.70 lakhs) through form FMR 1.

48. Unhedged foreign currency exposure

There is no unhedged foreign currency exposure as on March 31, 2023. The Company in past had issued ECBs which are fully hedged as per Risk Management Policy.

49. Breach of Covenant

There is no breach of covenant for any borrowings undertaken by the Company for year ended March 31,2024.

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

Digitally signed by
Pramod Ramesh Bhise
Date: 2024.04.29
20:31:49 +05'30'

Pramod Bhise
Partner
Membership No. 047751

Place: Pune
Date: April 29, 2024

For and on behalf of the Board of Directors
TMF Business Services Limited

Varsha
Vasant
Purandare
Digitally signed by
Varsha Vasant
Purandare
Date: 2024.04.29
20:52:24 +05'30'

VINU
NAIR

Vinu Nair
Manager

UDAY
UCHIL
Digitally signed by
UDAY UCHIL
Date: 2024.04.29
20:36:34 +05'30'

Uday Uchil
Chief Financial Officer

Place: Mumbai
Date: April 29, 2024

PATHAMADAI
BALACHANDRAN
AN BALAJI
Digitally signed by
PATHAMADAI
BALACHANDRAN BALAJI
Date: 2024.04.29 20:24:17
+05'30'

P B Balaji
Director
(DIN - 02762983)

Digitally signed by
VINU NAIR
Date: 2024.04.29
20:43:25 +05'30'

NEERAJ
KUMAR
DWIVEDI
Digitally signed by
NEERAJ KUMAR DWIVEDI
Date: 2024.04.29
20:40:12 +05'30'

Neeraj Dwived
Company Secretary
Membership No:-
A20874

