

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

(₹ in lakhs)

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

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

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm Registration Number: 109983W

TIRTHARAJ  
ANNASHEB KHOT

Tirtharaj Khot

Partner

Membership No. 037457

Place: Mumbai

Date: April 28, 2023

For G. M. Kapadia & Co

Chartered Accountants

Firm Registration Number: 104767W

ATUL HIRALAL  
SHAH

Atul Shah

Partner

Membership No. 039569

Place: Mumbai

Date: April 28, 2023

For and on behalf of the Board of Directors

Palamadai  
Sundararaja  
n Jayakumar

Digitally signed by  
Palamadai Sundararajan  
Jayakumar  
Date: 2023.04.28  
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P. S. Jayakumar  
Director  
(DIN - 01173236)

PATHAMADAI  
BALACHANDR  
AN BALAJI

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PATHAMADAI  
BALACHANDRAN  
BALAJI  
Date: 2023.04.28  
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P. B. Balaji  
Director  
(DIN - 02762983)

SAMRAT  
GUPTA

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Date: 2023.04.28  
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Samrat Gupta  
Managing Director &  
Chief Executive Officer  
(DIN - 07071479)

RIDHI  
ZAVERI  
GANGAR

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RIDHI ZAVERI  
GANGAR  
Date: 2023.04.28  
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Ridhi Gangar  
Chief Financial Officer

Place: Mumbai

Date: April 28, 2023

VINAY BABURAO  
LAVANNIS

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BABURAO LAVANNIS  
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Vinay Lavannis  
Company Secretary  
Membership No:-A7911

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

(₹ in lakhs)

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

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

As per our report of even date attached  
For SHARP & TANNAN ASSOCIATES  
Chartered Accountants  
Firm Registration Number: 109983W  
TIRTHARAJ Digitally signed by  
TIRTHARAJ  
ANNASAHEB KHOT  
Date: 2023.04.28  
22:52:26 +05'30'  
Tirtharaj Khot  
Partner  
B KHOT  
Membership No. 037457

For G. M. Kapadia & Co  
Chartered Accountants  
Firm Registration Number: 104767W  
Digitally signed by ATUL HIRALAL  
SHAH  
Date: 2023.04.28 22:33:04 +05'30'  
ATUL HIRALAL SHAH  
Atul Shah  
Partner  
Membership No. 039569  
Date: April 28, 2023

For and on behalf of the Board of Directors  
Palamadai Digitally signed by  
Palamadai Sundararajan  
Jayakumar  
Date: 2023.04.28 22:04:02  
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Sundararaja  
N Jayakumar  
P. S. Jayakumar  
Director  
(DIN - 01173236)  
PATHAMADAI Digitally signed by  
P. B. BALAJI  
BALACHANDRAN BALAJI  
Date: 2023.04.28 20:36:57  
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AN BALAJI  
P. B. Balaji  
Director  
(DIN - 02762983)

Place: Mumbai  
Date: April 28, 2023

**SAMRAT  
GUPTA** Digitally signed by  
SAMRAT GUPTA  
Date: 2023.04.28  
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Samrat Gupta  
Managing Director &  
Chief Executive Officer  
(DIN - 07071479)

RIDHI ZAVERI Digitally signed by  
RIDHI ZAVERI GANGAR  
Date: 2023.04.28  
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RIDHI ZAVERI  
Ridhi Gangar  
Chief Financial Officer

Ridhi Gangar  
Chief Financial Officer

Place: Mumbai  
Date: April 28, 2023

VINAY Digitally signed by  
VINAY BABURAO  
LAVANNIS  
Date: 2023.04.28  
22:00:20 +05'30'  
VINAY  
BABURAO  
LAVANNIS

Vinay Lavannis  
Company Secretary  
Membership No:-A7911

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

(₹ in lakhs)

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

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

(₹ in lakhs)

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

**Note:**

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

As per our report of even date attached

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

**TIRTHARAJ**  
**ANNASAHEB**  
**KHOT**

Digitally signed by  
TIRTHARAJ ANNASAHEB  
KHOT  
Date: 2023.04.28  
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Tirtharaj Khot  
Partner  
Membership No. 037457

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

**ATUL**  
**HIRALA**  
**L SHAH**

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by ATUL  
HIRALAL SHAH  
Date:  
2023.04.28  
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Atul Shah  
Partner  
Membership No. 039569

**Palamadai**  
**Sundararajan**  
**Jayakumar**

Digitally signed by  
Palamadai Sundararajan  
Jayakumar  
Date: 2023.04.28 22:05:19  
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P. S. Jayakumar  
Director  
(DIN - 01173236)

Digitally signed by  
PATHAMADAI  
BALACHANDRAN RALAR  
Date: 2023.04.28 22:27:24  
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P. B. Balaji  
Director  
(DIN - 02762983)

Place: Mumbai  
Date: April 28, 2023

Place: Mumbai  
Date: April 28, 2023

**SAMRAT**  
**GUPTA**

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SAMRAT GUPTA  
Date: 2023.04.28  
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Samrat Gupta  
Managing Director and  
Chief Executive Officer  
(DIN - 07071479)

**RIDHI ZAVERI**  
**GANGAR**

Digitally signed by  
RIDHI ZAVERI GANGAR  
Date: 2023.04.28  
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Ridhi Gangar  
Chief Financial Officer

**VINAY**  
**BABURAO**  
**LAVANNIS**

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VINAY BABURAO  
LAVANNIS  
Date: 2023.04.28  
22:00:42 +05'30'

Vinay Lavannis  
Company Secretary  
Membership No:-A7911

Place: Mumbai  
Date: April 28, 2023

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

Particulars	(₹ in lakhs)			
	As at March 31, 2023		As at March 31, 2022	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	60,827,689	608,27.69	60,827,689	608,27.69
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	<u>60,827,689</u>	<u>60,827.69</u>	<u>60,827,689</u>	<u>60,827.69</u>
Equity Shares Issued on conversion of CCPS during the year	23,470,506	234,70.51	-	-
Equity Shares Issued during the year	<u>13,667,774</u>	<u>136,67.77</u>	<u>-</u>	<u>-</u>
Shares outstanding at the end of the year	<u><b>97,965,969</b></u>	<u><b>97,965.97</b></u>	<u><b>60,827,689</b></u>	<u><b>60,827.69</b></u>

**B. Instruments entirely equity in nature**

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

**C. Other equity**

Particulars	(₹ in lakhs)												
	Equity component of compound financial instrument (Refer Note 22C)	Special reserve*	Capital redemption reserve	Reserve and Surplus			General reserve	Retained earnings		Other components of equity			Total other equity
				Securities Premium Account	Capital Reserve			Undistributable (Ind AS 101)	Distributable	Equity instruments through OCI	Debt instruments through OCI	Cost of Hedging Reserve	
<b>Balance as at April 1, 2022</b>	471,11.44	236,66.74	0.02	3136,40.38	190,82.18	17,85.59	(1761,69.60)	176,81.62	65,61.15	323,23.10	(4,57.03)	(9,21.58)	2843,04.01
a) Profit for the year	-	-	-	-	-	-	-	(1033,19.07)	-	-	-	-	(1033,19.07)
b) Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	5,23.17	(2,79.28)	(62,77.75)	(1,78.87)	30,30.98	(31,81.75)
<b>c) Total comprehensive income for the year</b>	-	-	-	-	-	-	-	<b>(1027,95.90)</b>	<b>(2,79.28)</b>	<b>(62,77.75)</b>	<b>(1,78.87)</b>	<b>30,30.98</b>	<b>(1065,00.82)</b>
d) Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
e) Distributions made to holders of Instruments entirely equity in nature	-	-	-	-	-	-	-	(132,48.25)	-	-	-	-	(132,48.25)
f) Premium on issue of equity shares	-	-	-	563,68.67	-	-	-	-	-	-	-	-	563,68.67
g) Conversion of CCPS to equity	(47,111.44)	-	-	364,33.80	-	-	-	-	-	-	-	-	(106,77.64)
<b>Balance as at March 31, 2023</b>	-	<b>236,66.74</b>	<b>0.02</b>	<b>4064,42.85</b>	<b>190,82.18</b>	<b>17,85.59</b>	<b>(1761,69.60)</b>	<b>(983,62.53)</b>	<b>62,81.87</b>	<b>260,45.35</b>	<b>(6,35.90)</b>	<b>21,09.40</b>	<b>2102,45.97</b>

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

Particulars	Equity component of compound financial instrument (Refer Note 22C)	Special reserve*	Capital redemption reserve	Securities Premium Account	Reserve and Surplus		General reserve	Retained earnings	Other components of equity			Hedging Reserve	Total other equity
					Capital Reserve	Capital Reserve			Equity instruments through OCI	Debt instruments through OCI	Cost of Hedging Reserve		
						Undistributable (Ind AS 101)							
Balance as at April 1, 2021	471,11.44	236,66.74	0.02	3136,40.38	190,82.18	(17,85.59)	362,63.57	49,76.90	256,77.84	76.01	(51,06.36)	2910,04.69	
a) Profit for the year	-	-	-	-	-	(26,74.00)	1,94.24	-	-	-	-	(26,74.00)	
b) Other comprehensive income / (loss) for the year	-	-	-	-	-	(24,79.76)	(55,30.08)	15,84.26	66,45.26	(5,33.04)	41,84.78	120,75.50	
c) Total comprehensive income / (loss) for the year	-	-	-	-	-	(24,79.76)	(55,30.08)	15,84.26	66,45.26	(5,33.04)	41,84.78	94,01.51	
d) Dividend	-	-	-	-	-	-	(98,38.50)	-	-	-	-	(55,30.08)	
e) Distributions made to holders of Instruments entirely equity in nature	-	-	-	-	-	-	(98,38.50)	-	-	-	-	(98,38.50)	
f) Issue expenses on Instruments entirely equity in nature	-	-	-	-	-	-	(7,33.61)	-	-	-	-	(7,33.61)	
Balance as at March 31, 2022	471,11.44	236,66.74	0.02	3136,40.38	190,82.18	(17,85.59)	176,81.62	65,61.15	323,23.10	(4,57.03)	(9,21.58)	2843,04.01	

\* As per Section 45-1C of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund and transfer therein a sum not less than 20% of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared. No appropriation of any sum from the reserve fund can be made by the Company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The Company transfers said amount at the end of the financial year.

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

As per our report of even date attached  
For SHARP & TANNAN ASSOCIATES  
Chartered Accountants  
Firm Registration Number: 109983W  
TIRTHARAJ Digitally signed by  
TIRTHARAJ ANNASAHAB  
ANNASAHAB RFD/3033.04.28.2254.604  
KHOT 105'30'  
Tirtharaj Khot  
Partner  
Membership No. 037457  
Place : Mumbai  
Date: April 28, 2023

For G. M. Kapadia & Co  
Chartered Accountants  
Firm Registration Number: 104767W  
ATUL HIRALAL Digitally signed by  
SHAH ATUL HIRALAL SHAH  
SHAH Date: 2023.04.28  
22:34:56 +05'30'  
Atul Shah  
Partner  
Membership No. 039569  
Date: April 28, 2023

For and on behalf of the Board of Directors

Palamadai  
Sundararajan  
Jayakumar

Digitally signed by  
Sundararajan Jayakumar  
Date: 2023.04.28 22:05:44 +05'30'

P. S. Jayakumar  
Director  
(DIN - 011173236)

**SAMRAT  
GUPTA**  
Digitally signed by  
SAMRAT GUPTA  
Date: 2023.04.28  
21:57:58 +05'30'

Samrat Gupta

Managing Director and  
Chief Executive Officer  
(DIN - 07071479)

**VINAY  
BABURAO  
LAVANNIS**  
Digitally signed by  
VINAY BABURAO  
LAVANNIS  
Date: 2023.04.28  
22:01:04 +05'30'

Vinay Lavannis  
Company Secretary  
Membership No.: A7911

**RIDHI ZAVERI  
GANGAR**  
Digitally signed by  
RIDHI ZAVERI GANGAR  
Date: 2023.04.28  
21:53:45 +05'30'

Ridhi Gangar  
Chief Financial Officer

Place: Mumbai  
Date: April 28, 2023

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

**1 Company information**

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

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

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

The financial statements were approved by the Board of Directors and authorised for issue on April 28, 2023.

**2 Basis of preparation of financial statements**

**2.1 Statement of compliance**

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

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

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

**2.2 Historical cost convention**

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

**2.3 Presentation of financial statements**

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

**3 SIGNIFICANT ACCOUNTING POLICIES**

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

**(I) Use of estimates and judgments**

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

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

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

- a) Note 3 (xv)- Business model assessment for classification and measurement of financial assets
- b) Note 3 (xv) & 43- Impairment allowances of financial assets based on the expected credit loss model.
- c) Note 3(vii) and 3(viii)- Useful lives of property, plant and equipment and intangible assets.
- d) Note 3(xi) and 35- Measurement of assets and obligations of defined benefit employee plans.
- e) Note 3(iv) and 11- Recoverability and recognition of deferred tax assets.
- f) Note 3(xii), 20 & 36F- Measurement of provisions and contingencies.
- g) Note 3(xvii) and 37- Fair value measurement of financial instruments.
- h) Note (xv)- Effective Interest Rate (EIR) methodology that represents the best estimate of a constant rate of return over the expected behavioural life of financial instruments
- i) Note (ix)- Determination of lease term where the Company is a lessee

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

(ii) Revenue recognition

**Revenue from Operations**

**(a) Income on loans arising from financing activities**

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

The EIR in case of a financial asset is computed

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

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

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

**Income from direct assignment**

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

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

**(b) Dividend Income**

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

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

**(c) Rental Income**

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

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

**(d) Fees and Commission Income**

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

**Other Income**

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

(iii) Foreign currency

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

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

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

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

**(iv) Income Taxes**

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the statement of profit & loss except when they relate to items that are recognised outside the statement of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside the statement of profit and loss. Current income taxes are determined based on respective taxable income of Company and tax rules applicable for respective tax jurisdictions.

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

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

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

**(v) Cash and Cash equivalents**

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

**(vi) Earning per share**

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

**(vii) Property, Plant and equipment**

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

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

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

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

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

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

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

Type of Asset	Estimated useful life
Building	19 & 60 years
Data Processing Machines	3 years
Furniture & Fixture	5 & 10 years
Office Equipment	2 to 10 years
Vehicles	4 & 5 years
Vehicles On Operating Lease	4 & 6 years

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

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

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

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

**(viii) Other intangible assets**

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

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

Intangible assets and their useful lives are as under

Type of asset	Estimated useful life
Software	5 years

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

**(ix) Leases**

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

**(A) Company is a Lessee- Assets taken on lease****(i) Right of use of assets**

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

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

**(ii) Lease liabilities**

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

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

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

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

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

**(B) Company as a Lessor**

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

**Assets given on operating lease**

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

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

**Assets given on finance lease**

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

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

**(x) Impairment of Non - financial assets**

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

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

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

**(xi) Employee benefits**

**(A) Short - term employee benefits**

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

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

**(B) Post Employment/retirement benefit Plans**

**(1) Defined contribution plans**

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

**Superannuation fund**

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

**(a) Provident fund**

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

**(a) Gratuity**

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

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

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

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

**(C) Other long term employee benefit plans**

**(1) Defined benefit plans**

**(a) Compensated absences**

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

**(xii) Provisions and Contingent Liabilities**

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

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

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

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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

**(xiii) Dividend**

Any dividend declared or paid by Company is based on the profits available for distribution as reported in the financial statements. Indian law mandates that dividend be declared out of distributable profits, after setting off un-provided losses and depreciation of previous years. In case of inadequacy or absence of profits in a particular year, a Company may pay dividend out of accumulated profits of previous years transferred to statement of profit and loss. However, in the absence of accumulated profits a Company may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and Payment of Dividend) Rules, 2014. Accordingly, in certain years the net income reported in these financial statements may not be fully distributable. Further, declaration of dividend from the profits of the financial year ending March 31, 2023 are also subject to guidelines of RBI in this regard.

**(xiv) Segment reporting**

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

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

**(xv) Financial instruments**

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

**(A) 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)

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

**(I) Debt Instruments**

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

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

**(a) At amortised cost:**

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

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

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

**(b) At FVTOCI:**

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. These loans are measured as the present value of all future cash receipts discounted using the prevailing market rate of interest (i.e. Interest rate at which loans are assigned during the relevant quarter). Fair value movements are recognised in the other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses and reversals in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**(c) At FVTPL:**

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

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

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

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

**(II) Equity Instruments/investments**

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

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

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

**(III) Impairment of financial assets**

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

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

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

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

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

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

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

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

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

**Definition of default**

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments. Pursuant to RBI Circular RBI/2021-22/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021, on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications and Subsequent clarification issued on February 15, 2022, effective October 1, 2022, Stage 3 borrowers are upgraded when all outstanding dues are fully repaid.

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

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

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

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

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

**Forward looking information**

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

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

**Collateral valuation:**

The Company creates & secures first and exclusive collateral charge at the time of loan origination on all vehicles for which vehicle financing loans are given. Hypothecation endorsement is obtained in favour of the Company in the Registration Certificate of the Vehicle funded under the vehicle finance category. Any surplus remaining after settlement of outstanding loan by way of sale of vehicle (collateral) is returned to the customer. In case where the Company has settled outstanding dues against repossession of the underlying collateral, collateral is recorded as assets held for sale in the balance sheet.

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

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

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

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

**ECL on Debt instruments measured at amortised cost**

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

**ECL on Debt instruments measured at fair value through OCI**

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

**Write-off**

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

**(IV) Derecognition of financial assets**

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

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

**(B) Financial liabilities and equity instruments**

**Classification as debt or equity**

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

**(I) Financial liabilities**

**Initial recognition and measurement**

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

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

**Subsequent measurement**

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

**(a) At FVTPL:**

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

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

**(b) At amortised cost:**

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

**Financial guarantee contracts:**

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

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

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

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

**Derecognition of financial liabilities:**

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

**Modification/Renegotiation that do not result in derecognition**

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

**(II) Equity Instrument**

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

**(III) Compound financial Instrument**

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

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

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

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

**(xvi) Derivatives and Hedging activities**

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

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

**Embedded derivatives**

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

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

**(a) Hedge accounting**

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

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

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

Cash flow hedges

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

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

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

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

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

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

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

**(xvii) Fair value measurement**

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

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

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

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

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

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

**(xviii) Offsetting financial instruments**

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

**4 Recent Accounting Pronouncement**

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

**Ind AS 1 - Presentation of Financial Statements**

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

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

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

**Ind AS 12 – Income Taxes**

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

**5. Cash and cash equivalents**

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

**6. Bank balance other than cash and cash equivalents**

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

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

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

**7. Trade receivables**

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

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

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

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

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

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

(₹ in lakhs)

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

**8. Other receivables**

(₹ in lakhs)

Particulars	As at March 31 2023	As at March 31 2022
Other Receivables considered good - Unsecured	2,37.54	5,26.82
<b>Total</b>	<b>2,37.54</b>	<b>5,26.82</b>

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.

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

**9. Loans**

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

**Note:**

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

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

**10. Investments**

(₹ in lakhs)

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

\* Includes amount of ₹ 20,50.00 lakhs pertaining to certain unquoted equity instruments for which cost was considered as an appropriate estimate of fair value in the previous year because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

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

Annexure to Note 10

(₹ in lakhs)

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

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

**11. Other financial assets**

(₹ in lakhs)

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

## 12. Income taxes

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

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

## b) Reconciliation of the income tax expenses and accounting profit

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

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

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

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

## c) Deferred tax assets/liabilities (net)

(₹ in lakhs)				
Particulars	As at April 1, 2021	Through profit and loss	Through other comprehensive income	As at March 31, 2022
<b>Deferred tax liabilities :</b>				
- Fair Valuation of financial assets measured at FVTOCI and FVTPL	94,41.64	13,89.27	27,67.81	135,98.72
- Income to be taxed on actual receipt basis	30,93.60	15,77.11	-	46,70.71
- Sourcing commission claimed on incurrence basis	30,44.71	(1,56.21)	-	28,88.50
<b>Total deferred tax liabilities</b>	<b>155,79.95</b>	<b>2,810.17</b>	<b>27,67.81</b>	<b>211,57.93</b>
<b>Deferred tax asset :</b>				
- Property, plant & equipment - Accumulated depreciation	63.00	277.89	-	3,40.89
- Expenses deductible in future years:				
-Provisions for impairment allowances on financial assets	294,81.62	101,29.41	-	396,11.03
-Compensated absences and retirement benefits allowable on payment basis	4,55.08	3.56	-	4,58.64
- Others	5,26.63	(5,84.40)	-	(57.77)
<b>Total deferred tax assets</b>	<b>305,26.33</b>	<b>98,26.46</b>	<b>-</b>	<b>403,52.79</b>
<b>Net deferred tax asset/(liabilities) excl MAT Credit</b>	<b>149,46.38</b>	<b>70,16.29</b>	<b>(27,67.81)</b>	<b>191,94.87</b>
- Minimum alternate tax (MAT) entitlement	-	-	-	-
<b>Deferred tax assets/(liabilities) (net)</b>	<b>149,46.38</b>	<b>70,16.29</b>	<b>(27,67.81)</b>	<b>191,94.87</b>

## d) Amounts recognised directly in equity

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

## e) Tax losses

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

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

(₹ in lakhs)	
Year	Amount
March 31, 2031	280,12.03
<b>Total</b>	<b>280,12.03</b>

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

**12A Property, plant and equipment**

(₹ in lakhs)

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

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

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

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

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

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

**12B. Other intangible assets**

(₹ in lakhs)

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

Particulars	Gross Block			Accumulated Amortisation				Net Block	
	Balance as at April 1, 2021	Additions	Deletions	Balance as at March 31, 2022	Balance as at April 1, 2021	Amortisation	Deletions	Balance as at March 31, 2022	Balance as at March 31, 2022
(a) Computer Software	11,96.12	68.75	-	12,64.87	7,34.29	2,08.97	-	9,43.26	3,21.62
<b>Total</b>	<b>11,96.12</b>	<b>68.75</b>	<b>-</b>	<b>12,64.87</b>	<b>7,34.29</b>	<b>2,08.97</b>	<b>-</b>	<b>9,43.26</b>	<b>3,21.62</b>

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

**13. Other non-financial assets**

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

**14. Derivative financial instruments - March 31 2023**

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

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

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

**Derivative financial instruments - March 31 2022**

(₹ in lakhs)

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

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

**15. Payables**

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

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 2023	As at March 31 2022
a) Principal amount due	10,67.67	8,87.68
b) Interest due on above	-	-
c) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 20	-	-
d) Amount of interest due and payable for the period of delay	-	-
e) Amount of interest accrued and remaining unpaid as at year end	-	-
f) Amount of further remaining due and payable in the succeeding year	-	-
<b>Total</b>	<b>10,67.67</b>	<b>8,87.68</b>

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

Particulars	(₹ in lakhs)						
	Not due	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	10,66.67	-	1.00				<b>10,67.67</b>
(i) Others	160,11.28	16,36.50	13,54.90	1,40.45	55.71	1,53.09	<b>193,51.93</b>
(iii) Disputed dues – MSME	-						-
(iv) Disputed dues - Others	-						-
<b>Total</b>	<b>170,77.95</b>	<b>16,36.50</b>	<b>13,55.90</b>	<b>1,40.45</b>	<b>55.71</b>	<b>1,53.09</b>	<b>204,19.60</b>

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

Particulars	(₹ in lakhs)						
	Not due	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	7,03.20	1,84.48	-	-	-	<b>8,87.68</b>
(i) Others	26,49.65	55,23.23	53,50.43	18,86.76	2,12.61	4,35.22	<b>160,57.90</b>
(iii) Disputed dues – MSME	-						-
(iv) Disputed dues - Others	-						-
<b>Total</b>	<b>26,49.65</b>	<b>62,26.43</b>	<b>55,34.91</b>	<b>18,86.76</b>	<b>2,12.61</b>	<b>4,35.22</b>	<b>169,45.58</b>

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

**16. Debt securities - At amortised cost**

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

**Note (i): Nature and extent of security for secured borrowings outstanding**

Nature and extent of Security created and maintained for secured non-convertible debentures (privately placed) listed on WDM segment of NSE as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

1(A) Nature Privately placed non-convertible secured debentures are fully secured by first pari passu charge by way of registered mortgage on:

- i) One of the Company's residential flat and
- ii) a) All receivables of the Company arising out of loan and lease transactions  
b) All other book debts, trade advances forming part of movable assets of the Company  
c) Any other security as identified by the Company and acceptable to the debenture trustee

1(B) Extent

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

**Details of Non Convertible Debentures (Secured)**

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

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

**Details of Non Cumulative Debentures (Unsecured)**

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

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

**Details of Commercial Papers (Unsecured)**

(₹ in lakhs)

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

**17. Borrowings (Other than debt securities)**

(₹ in lakhs)

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

**Notes**

**(i) Nature of Security for secured term loans from banks:**

Secured term loans from banks are secured by a pari-passu charge in favour of the security trustee on:

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

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

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

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

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

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

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

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

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

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

Details of External Commercial Borrowings (USD) <span style="float: right;">(₹ in lakhs)</span>				
From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
<b>1. Repayable on Maturity:</b>				
Maturing between 1 year to 3 Years	8.97% to 10.07%	822,19.37	7.70% to 9.03%	757,28.75
Maturing within 1 Year	-	-	8.11% to 8.88%	1136,26.95
<b>Total repayable on maturity</b>		<b>822,19.37</b>		<b>1893,55.70</b>
Less: Unamortised borrowing costs		2,78.65		5,07.67
<b>Total Amortised cost</b>		<b>819,40.72</b>		<b>1888,48.03</b>

Details of Collateralised Debt Obligation (Secured) <span style="float: right;">(₹ in lakhs)</span>				
From Balance sheet Date	As at March 31, 2023		As at March 31, 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing beyond 5 Years				
Maturing within 1 Year	6.40% to 8.00%	74,87.24	6.40% to 9.20%	850,21.01
Maturing between 1 year to 3 Years			6.40% to 9.20%	332,33.40
<b>Total</b>		<b>74,87.24</b>		<b>1182,54.41</b>
Less: Unamortised borrowing costs		-		82.66
<b>Total Amortised cost</b>		<b>74,87.24</b>		<b>1181,71.75</b>

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

**Details of Term Loans from banks (Unsecured)**

(₹ in lakhs)

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

**Details of Inter corporate deposits (ICDs) (Unsecured)**

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

**Details of Loans repayable on demand from banks (Secured)**

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

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

**Details of Loans repayable on demand from banks (unsecured)**

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

**Details of Cash credit facilities (Secured)**

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

**18. Subordinated liabilities (unsecured)**

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

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

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

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

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

Note 1 - Redemption period is not applicable as the NCDs are perpetual. The Company has a call option which can be exercised, after the prior approval of the Reserve Bank of India, at the expiry of 10 years from the date of allotment and at the end of every month thereafter. In case of non-exercise of the option at the expiry of 10 years from the date of allotment, coupon rate will be increased by 50 bps.

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

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

**19. Other financial liabilities**

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

**20. Provisions**

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

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

**(a) Provision for Indirect taxes**

Particulars	(₹ in lakhs)	
	As at March 31 2023	As at March 31 2022
Opening Balance	66,11.94	66,11.94
Add : Provision during the year	2,65.91	-
<b>Closing Balance</b>	<b>68,77.85</b>	<b>66,11.94</b>

**(b) Provision for consumer disputes**

Particulars	(₹ in lakhs)	
	As at March 31 2023	As at March 31 2022
Opening Balance	60.92	93.46
Add : Provision during the year	1,07.93	2,56.50
Less : Utilisation/reversal during the year	60.92	2,89.04
<b>Closing Balance</b>	<b>107.93</b>	<b>60.92</b>

**21. Other non-financial liabilities**

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

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

**22A. Equity Share Capital**

(₹ in lakhs)

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

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

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

Note 2:- During the year ended March 31, 2023, the Company has issued equity shares of face value of Rs. 100 each to its holding company as follows -

(a) 6,674,767 equity shares at a price of Rs. 450 per equity share in Q2 - FY23.

(b) 6,993,007 equity shares at a price of Rs. 572 per equity share in Q4 - FY23.

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

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

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

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

**d) Details of shares held by Promoters**

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

**% change in Promototers shareholding during the year is as below**

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

**e) Terms / rights attached to equity shares:**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of the equity shares held.

**f) Information regarding issue of shares in the last five years**

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

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

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

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

**22B Instruments entirely equity in nature**

**(i) Perpetual Debt**

(₹ in lakhs)

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

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

a) The Coupon on these securities shall not be liable to pay Coupon 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.

**22C Equity Component of Compound Financial Instrument**

(₹ in lakhs)

Particulars	As at March 31		As at March 31	
	2023		2022	
	Number	₹	Number	₹
<b>Authorised</b>				
Preference shares of ₹ 100 each	80,000,000	800,00.00	80,000,000	800,00.00
		<b>80,000.00</b>		<b>80,000.00</b>
<b>Issued, Subscribed and Fully Paid up</b>				
Equity portion of cumulative, non-participating Compulsorily convertible preference share (CCPS) of ₹ 100 each	-	-	53,800,000	286,11.44
Equity portion of non-cumulative, non-participating Compulsorily convertible preference share (CCPS) of ₹ 100 each	-	-	18,500,000	185,00.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>72,300,000</b>	<b>47,111.44</b>

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

(₹ in lakhs)

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

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

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

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

Particulars	As at March 31		As at March 31	
	2023		2022	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
TMF Holdings Limited	-	-	72,300,000	100

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

**d) Details of shares held by Promoters**

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

**e) Terms / rights attached to preference shares:**

The Company has cumulative, non-participating compulsorily convertible preference shares (CCPS) having a face value of ₹ 100 each. The holders of the CCPS are entitled for dividend on a yearly basis, in preference to the equity shareholders, subject to applicable law, availability of profits, after provision for depreciation. The CCPS were mandatorily convertible into equity shares on the date falling at the expiry of 7 years from the CCPS allotment date. However, on June 29, 2022, the Company has early converted the outstanding Compulsorily convertible preference share (CCPS) at pre-determined conversion ratio. On conversion of CCPS, the Company has issued 23,470,506 equity shares of face value of ₹ 100 each against 723,00,000 no. of CCPS of face value of ₹ 100 each.

**f) Information regarding issue of shares in the last five years**

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

**Note 22D**

**(I) Other components of equity**

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

(₹ in lakhs)

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

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

(₹ in lakhs)

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

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

(₹ in lakhs)

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

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

**(5) Summary of Other components of equity :-**

(₹ in lakhs)

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

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

**(I) Notes to reserves**

**(1) Special reserve**

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund and transfer therein a sum not less than 20% of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared. No appropriation of any sum from the reserve fund can be made by the Company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The Company transfers said amount at the end of the financial year.

**(2) Capital redemption reserve**

The Indian Companies Act, 2013 (the "Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares.

**(3) Securities Premium Account**

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

**(4) Capital reserve**

The Capital Reserve represents the compensating reversal adjustment relating to amortisation of discount on the Zero Coupon Debentures which were charged against the Securities Premium Reserve earlier which is not allowed as per the Companies Act, 2013. This separate reserve head is created based on the FAQ issued by the Ind AS Transition Facilitation Group.

**(5) General reserve**

The Company has transferred a portion of net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

**(6) Retained earnings**

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

**(7) Equity Instrument through OCI**

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

**(8) Debt instruments through OCI**

It represents the revaluation of debt instruments measured through OCI.

**(9) Hedging Reserve through OCI**

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

**(10) Cost of hedge reserve**

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

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

	(₹ in lakhs)	
	For the year ended March 31 2023	For the year ended March 31 2022
<b>23. Interest income</b>		
<b>On financial assets measured at amortised Cost</b>		
(a) Interest on loans	1873,89.92	2301,07.64
(b) Interest income from investments	52,54.51	12,45.95
(c) Interest on deposits with banks	51,11.76	68,93.35
(d) Other interest income	9,63.29	2.86
<b>On financial assets measured at FVOCI</b>		
(a) Interest on loans-FVOCI	1112,40.04	814,70.30
<b>Total</b>	<b>3099,59.52</b>	<b>3197,20.10</b>
		(₹ in lakhs)
<b>24. Net gain on fair value changes</b>	For the year ended March 31 2023	For the year ended March 31 2022
Net gain on financial instruments at fair value through profit or loss	106,59.33	115,85.12
<b>Total</b>	<b>106,59.33</b>	<b>115,85.12</b>
Fair Value changes:		
(a) Realised	101,37.21	60,65.12
(b) Unrealised	5,22.12	55,20.00
<b>Total</b>	<b>106,59.33</b>	<b>115,85.12</b>
		(₹ in lakhs)
<b>25. Other Income</b>	For the year ended March 31 2023	For the year ended March 31 2022
(a) Support services income	100,39.57	84,62.84
(b) Balances written back	8,71.83	4,50.58
(C) Miscellaneous income	3,03.54	87.96
<b>Total</b>	<b>112,14.94</b>	<b>90,01.38</b>
		(₹ in lakhs)
<b>26. Finance Costs</b>	For the year ended March 31 2023	For the year ended March 31 2022
(a) Interest on borrowings	1362,47.55	1387,74.19
(b) Interest on debt securities	540,14.82	507,80.64
(c) Interest on subordinated liabilities	137,75.02	163,09.77
(d) Interest expense on lease liability	6,44.85	5,07.72
(e) Other finance charges	34.42	76.89
<b>Total</b>	<b>2047,16.66</b>	<b>2064,49.21</b>
		(₹ in lakhs)
<b>27. Impairment on financial instruments and other assets</b>	For the year ended March 31 2023	For the year ended March 31 2022
<b>Loans measured amortised cost</b>		
(a) Allowance for loan losses	(106,36.89)	316,77.95
(b) Loans written off (net of recoveries of ₹ 143,65.68 lakhs for the year ended March 31, 2023; ₹ 59,47.71 lakhs for year ended March 31, 2022)	1628,20.14	708,86.76
<b>Loans measured fair value through other comprehensive income</b>		
(a) Allowance for loan losses-FVOCI	179,39.99	63,62.52
<b>Other assets</b>		
(a) Allowance for doubtful assets	(12,74.47)	22,06.71
(b) Balances written off	3.69	-
<b>Total</b>	<b>1688,52.46</b>	<b>1111,33.94</b>
		(₹ in lakhs)
<b>28. Employee benefits expenses</b>	For the year ended March 31 2023	For the year ended March 31 2022
(a) Salaries	270,96.39	229,82.35
(b) Contribution to provident and other funds	16,06.75	15,86.75
(c) Staff welfare expenses	16,88.67	15,41.67
<b>Total</b>	<b>303,91.81</b>	<b>261,10.77</b>

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

(₹ in lakhs)

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

(₹ in lakhs)

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

**(ii) Corporate social responsibility**

(₹ in lakhs)

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

**Nature of CSR activities**

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

**Details of related party transactions**

i. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
ii. Any other, please specify	-	-

**Where a provision is made with respect to a liability incurred by entering into a contractual obligation**

<b>Particulars</b>	<b>2023</b>	<b>2022</b>
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	-	-

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

**30. Earnings per share**

Basic and diluted earnings per equity share are computed in accordance with Ind AS 33 – Earnings per share. Basic earnings per equity share are computed by dividing the net profit attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year (including Ordinary shares that will be issued upon conversion of a mandatorily convertible instrument).

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of a mandatorily convertible instrument.

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

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

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

- a. Demerger of the Non-Banking Finance related business (“NBFC Undertaking”) of the Company through the Scheme, to be filed before the Hon’ble National Company Law Tribunal pursuant to Section 230 to Section 232 of the Act, as amended;
- b. Reduction of securities premium, other reserves available with the Company after giving effect to the demerger and equity share capital (by reducing the face value of paid-up equity shares of the Company, by up to Rs 99/- (Rupees Ninety-Nine Only) per equity share, thereby reducing the face value from existing Rs. 100/- (Rupees Hundred Only) per equity share to minimum of Re. 1/- (Rupee One Only per equity share) with a corresponding adjustment against negative balance in demerger reserve arising on demerger.

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

**32. Segment reporting**

The Company is primarily engaged in the business of financing and there are no separate reportable operating segments identified as per the Ind AS 108 - Segment Reporting.

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

**33. Contingent liabilities and commitments :-**

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

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

	(₹ in lakhs)	
Particulars	As at March 31 2023	As at March 31 2022
In respect of consumer disputes	28,07.83	32,83.87
In respect of bonus under the Payment of Bonus (Amendment) Act, 2015	-	26.15
<b>Total</b>	<b>28,07.83</b>	<b>33,10.02</b>

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

	(₹ in lakhs)	
Particulars	As at March 31 2023	As at March 31 2022
In respect of guarantees given by banks for Income tax matters	99.00	99.00

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

**2 Commitments:**

**Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 50.85 lakhs (as at March 31, 2022: ₹ 4,35.08 lakhs).

**Other commitments**

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

**34. Related party disclosures**

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

**A. Parties where the control exists:**

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

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

**(ii) Fellow subsidiaries, associates and Joint arrangements within the Group**

Tata Motors Finance Solutions Limited  
TML Business Services Limited (formerly known as Concorde Motors (India) Limited)  
Tata Technologies Limited  
Tata Precision Industries (India) Limited  
Automobile Corporation of Goa Limited  
TML Distribution Company Limited  
Tata Motors Insurance Broking & Advisory Services Limited  
Tata International Vehicle Applications private Limited  
Tata Marcopolo Motors Limited  
Tata Motors Passenger VehicleS Limited

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

Tata Sons Private Limited  
Infiniti Retail Limited  
Tata Capital Financial Services Limited  
Tata Capital Housing Finance Limited  
Tata Consultancy Services Limited  
Tata International Limited  
Tata AIG General Insurance Company Limited  
Tata Teleservices Limited  
Tata Teleservices (Maharashtra) Limited  
Tata Communications Limited

**(iv) Relatives of Key Management personnel**

Ms. Sonu Mani - Spouse of Non Executive Director

**(V) Post Employment Benefit Plans**

Tata Motors Finance Limited Employees Gratuity Trust

**C. Key Management personnel :**

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

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

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

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

(₹ in lakhs)

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

(₹ in lakhs)

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

(₹ in lakhs)

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

Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)

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

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

(₹ in lakhs)

Particulars	Ultimate Holding Company	Holding Company	Other Related Parties	Total
<b>a) Transactions during the year</b>				
Income related to financing activities	74,34.71	-	-	74,34.71
Interest income on loans and investments	27.18	1.85	1.01	30.04
Dividend income	-	-	24.19	24.19
Rent Income	7.46	-	66.94	74.40
Service charges income	75.00	1,02.36	54,15.44	55,92.80
Amount received towards reimbursement of expenses	-	-	27.47	27.47
Expenses for other services (incl. reimbursement of expenses)	1,14.15	8,71.42	23,44.88	33,30.45
Interest Expenses	-	85,85.63	25.47	86,11.10
Rent Expenses (refer note (i) )	31.07	5,55.84	-	5,86.91
Dividend paid	-	84,94.84	1,10.23	86,05.07
Other Expenses	-	59.00	1,84.47	243.47
Recoveries from employee benefit trust	-	-	2,34.47	2,34.47
Contributions paid to employee benefit trust	-	-	4,81.45	4,81.45
Loans and advances taken	-	2275,00.00	-	2275,00.00
Deposit received	3,36.00	-	-	3,36.00
Deposit repaid	3,36.00	-	-	3,36.00
Loans and advances given	-	5,00.00	12,50.00	17,50.00
Loans and advances recovered	-	5,00.00	12,50.00	17,50.00
Loans and advances repaid	-	2275,00.00	-	2275,00.00

(₹ in lakhs)

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

(₹ in lakhs)

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

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

**Note:**

- (i) Company has entered into various lease rent agreement with Ultimate Holding Company as a lessee which meets the Lease definition as per Ind AS 116. Accordingly, the Company has recognized the Right of use assets and corresponding lease liability. Rent expenses includes ₹ 23.15 lakhs (₹ 21.54 lakhs for year March 31, 2022) which has been adjusted against the outstanding lease liability in accordance with Ind AS 116.
- (ii) The Company has issued 1,36,67,774 equity shares having face value of Rs. 100 each to its holding company, TMF Holdings Limited during the year ended March 31, 2023 (refer note 22A).

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

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

	(₹ in lakhs)	
<b>a) Transactions during the year</b>	<b>For the year ended March 31 2023</b>	<b>For the year ended March 31 2022</b>
Distributions made for Instruments entirely equity in nature	10.25	-
Interest paid on unsecured perpetual debentures	2.91	13.65
<b>b) Balances as at</b>	<b>As at March 31 2023</b>	<b>As at March 31 2022</b>
Net payable - Unsecured perpetual debentures	1,30.00	1,30.00

**(c) Key management personnel remuneration**

	(₹ in lakhs)	
<b>Particulars</b>	<b>For the year ended March 31 2023</b>	<b>For the year ended March 31 2022</b>
Short term employee benefits (refer notes below)	7,58.43	7,93.57
<b>Total</b>	<b>7,58.43</b>	<b>7,93.57</b>

**Notes:**

- (i) Expenses towards provision for gratuity and leave encashment which are determined on actuarial basis at an overall Company level are not included in the above
- (ii) Includes sitting fees paid to independent directors ₹ 60.30 lakhs and ₹ 1,74.50 lakhs for the year ended ended March 31, 2023 and March 31, 2022 respectively.

(IV) In view of the inadequate profit for the year, the remuneration paid to the Managing Director for the year ended March 31, 2022 was higher by ₹ 2,23.69 lakhs as compared to limits prescribed under section 197 read with Schedule V to the Companies Act, 2013. The Company has obtained shareholder's approval by passing a special resolution in the ensuing general meeting as at 17 January 2023.

**35. Employee benefit obligations**

**a) Defined contribution plans**

**Superannuation fund**

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

The amounts contributed in current year of ₹ 82.86 lakhs (previous year ₹ 92.70 lakhs) has been recognised in the Statement of Profit and Loss.

**Gratuity**

The gratuity defined benefit plan is a funded plan and the Company makes contributions to the Tata Motors Finance Limited Employees Gratuity Trust for funding the defined benefit gratuity plan for qualifying employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service.

The following table sets out the funded and unfunded status and the amounts recognised in the financial statements for the gratuity plans

**a) Changes in defined benefit obligations**

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

**b) Changes in plan assets**

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

**c) Amount recognised in balance sheet consists of:**

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

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

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

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

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

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

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

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

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

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

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

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

**i) Quantitative sensitivity analysis for significant assumptions:**

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

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

**j) Weighted Average Duration of Defined Benefit obligation:**

Particulars	(₹ in lakhs)	
	As at March 31 2023	As at March 31 2022
The weighted average duration of the defined benefit obligation	6.75 years	7.87 years

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

Particulars	(₹ in lakhs)	
	As at March 31 2023	
Expected contribution to the funded gratuity plans in next financial year.	1,05.54	

**l) Risk Exposure**

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

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

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

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

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

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

Particulars	Period	(₹ in lakhs)										
		1 to 7 days	8 to 14 days	15 days to 30 / 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 month & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
1 Deposits	March 31, 2023	1636,47.83	1309,54.48	102,75.07	1,23.85	35.13	29,26.12	5,43.08	-	-	-	3085,05.56
	March 31, 2022	1761,48.00	-	-	4,08.00	60,30.00	-	-	363,60.78	-	-	2189,46.78
2 Advances	March 31, 2023	230,87.41	208,03.05	369,75.44	692,20.39	675,58.26	1767,52.96	3740,85.68	10763,55.76	3554,96.29	1752,97.98	23756,33.22
	March 31, 2022	526,80.42	194,33.43	267,39.03	1226,30.61	657,37.07	2274,71.32	3218,12.19	12113,65.99	6015,01.06	1710,07.54	28203,78.66
3 Investments	March 31, 2023	207,12.67	-	109,46.31	-	-	-	-	-	-	1124,18.39	1440,77.37
	March 31, 2022	931,19.26	-	-	-	-	-	-	-	-	316,11.27	1247,30.53
4 Borrowings	March 31, 2023	25,00.00	7,13.42	648,36.84	1375,03.69	587,85.98	3698,92.64	6343,64.32	7666,86.29	2927,96.02	548,84.36	23829,63.56
	March 31, 2022	25,05.40	465,99.70	668,65.69	778,85.00	1101,68.14	1249,02.95	9579,49.02	10894,43.98	795,63.28	798,51.43	26357,34.59
5 Foreign Currency liabilities	March 31, 2023	-	-	-	-	-	-	-	819,40.72	-	-	819,40.72
	March 31, 2022	-	-	454,48.71	-	-	681,78.23	-	752,21.09	-	-	1888,48.03

**Notes:**

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

**36B. Capital to Risk Assets Ratio (CRAR)**

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

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

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

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

**36C. Perpetual debt instruments**

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

**36D.**

**Disclosure on securitisation/direct assignment of standard assets**

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

Particulars	As at March 31	
	2023	2022
1 No. of special purpose vehicles (SPVs) sponsored by the Company for securitisation transactions	2	12
2 Total amount of securitised assets as per books of the SVPs sponsored by the Company (as certified by the SPV's auditors)	120,72.74	1011,95.70
3 Total amount of exposures retained by the company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
<b>a. Off-balance sheet exposures</b>		
First loss	-	-
Others	-	-
<b>b. On-balance sheet exposures</b>		
First loss	74,14.46	432,05.39
Others	22,40.12	46,57.80
4 Amount of exposures to securitisation transactions other than MRR		
<b>a. Off-balance sheet exposures</b>		
i) Exposures to own securitizations		
First loss	-	-
Bank Guarantee		31,76.00
Excess Interest Spread	2,24.92	21,72.36
ii) Exposures to third party securitizations		
First loss	-	-
Others	-	-
<b>b. On-balance sheet exposures</b>		
i) Exposures to own securitizations		
First loss	-	-
Second Loss (In the Form of Fixed Deposits)	-	13,21.00
Others	-	-
ii) Exposures to third party securitizations		
First loss	-	-
Others	-	-

**The above information is based on information submitted by the SPVs, which is duly certified by the SPV's auditors.**

Note These securitisation transactions do not qualify for derecognition under Ind AS.

**II) Details of Assignment transactions undertaken by applicable NBFCs**

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

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

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

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

**36E. Disclosure of restructured advances**

(₹ in lakhs)

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	-	96.00	-	109.00
		Amount Outstanding	12,90.34	-	19,01.01	-	31,91.35
		Provision Amount	67.27	-	4,46.28	-	5,13.55
2	Fresh restructuring during the year 2022 - 2023	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	10	-	(10.00)	-	-
		Amount Outstanding	86.45	-	(1,24.84)	-	(38.39)
		Provision Amount	6.40	-	(35.08)	-	(28.68)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
5	Down gradations of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
6	Write offs of restructured accounts during the financial year	No. of Borrowers	(1.00)	-	(10)	-	(11.00)
		Amount Outstanding	(2.72)	-	(4,96.30)	-	(4,99.02)
		Provision Amount	(0.14)	-	(1,02.30)	-	(1,02.44)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	(12)	-	(30.00)	-	(42.00)
		Amount Outstanding	(12,87.62)	-	(6,01.60)	-	(18,89.22)
		Provision Amount	(67.14)	-	(1,29.87)	-	(1,97.01)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2023 [closing figures]	No. of Borrowers	10.00	-	46.00	-	56.00
		Amount Outstanding	86.45	-	6,78.27	-	7,64.72
		Provision Amount	6.39	-	1,79.02	-	1,85.41

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

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

(₹ in lakhs)

Type of Restructuring => Asset Classification =>			Others			Total	
			Standard	Sub-standard	Doubtful		Loss
1	Restructured accounts as on April 1, 2021 [opening figures]	No. of Borrowers	2	29.00	1,09.00	-	1,40.00
		Amount Outstanding	53.88	17,70.90	33,97.95	-	52,22.73
		Provision Amount	4.48	3,64.65	7,93.76	-	11,62.89
2	Fresh restructuring during the year 2021 - 2022	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	13	(2.00)	(11.00)	-	-
		Amount Outstanding	12,90.34	(13,92.66)	(3,17.92)	-	(4,20.24)
		Provision Amount	67.27	(2,73.44)	(76.69)	-	(2,82.86)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the	Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
			-	-	-	-	-
5	Down gradations of restructured accounts during the financial year	No. of Borrowers	-	(24.00)	24.00	-	-
		Amount Outstanding	-	(3,56.21)	3,18.78	-	(37.43)
		Provision Amount	-	(83.46)	78.95	-	(4.50)
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	(1.00)	(10.00)	-	(11.00)
		Amount Outstanding	-	(6.94)	(9,21.78)	-	(9,28.72)
		Provision Amount	-	(2.38)	(2,13.52)	-	(2,15.89)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	(2)	(2.00)	(16.00)	-	(20.00)
		Amount Outstanding	(53.88)	(15.09)	(5,76.02)	-	(6,44.99)
		Provision Amount	(4.48)	(5.38)	(1,36.23)	-	(1,46.09)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2022 [closing figures]	No. of Borrowers	13.00	-	96.00	-	1,09.00
		Amount Outstanding	12,90.34	-	19,01.01	-	31,91.35
		Provision Amount	67.27	-	4,46.28	-	5,13.55

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

**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)**

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

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

**36G. Investments**

Particulars	(₹ in lakhs)	
	As at March 31	As at March 31
	2023	2022
<b>1 Value of investments</b>		
(i) Gross value of investments		
(a) In India	1440,77.37	1247,30.51
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	1440,77.37	1247,30.51
(b) Outside India	-	-
<b>2 Movement of provisions held towards depreciation of investments</b>		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Utilised	-	-
(iv) Closing balance	-	-

**36H. Capital Market**

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

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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)

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

Rating agency	Year ended	Long-term bank facilities	Short-term bank facilities	Instruments			
				Secured Non-convertible debentures	Unsecured subordinated Tier II NCDs	Commercial papers	Perpetual debt
1 CRISIL	March 31, 2023	CRISIL AA-/STABLE	CRISIL A1+	CRISIL AA-/STABLE	CRISIL AA-/STABLE	CRISIL A1+	CRISIL A / STABLE
	March 31, 2022	CRISIL AA-/STABLE	CRISIL A1+	CRISIL AA-/STABLE	CRISIL AA-/STABLE	CRISIL A1+	CRISIL A / STABLE
2 ICRA	March 31, 2023	ICRA AA- / Postive	ICRA A1+	ICRA AA- / Postive	ICRA AA- / Postive	ICRA A1+	ICRA A / Postive
	March 31, 2022	ICRA AA- / STABLE	ICRA A1+	ICRA AA- / STABLE	ICRA AA- / STABLE	ICRA A1+	ICRA A / STABLE
3 CARE	March 31, 2023	CARE AA-/STABLE	NA	CARE AA-/STABLE	CARE AA-/STABLE	CARE A1+	CARE A / STABLE
	March 31, 2022	CARE AA-/STABLE	NA	CARE AA-/STABLE	CARE AA-/STABLE	CARE A1+	CARE A / STABLE

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

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

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

36K. Concentration of advances

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

36L. Concentration of exposures

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

36M. Concentration of NPAs

Particulars	(₹ in lakhs)	
	As at March 31	As at March 31
	2023	2022
1 Total exposure to top four NPA accounts	4,27.58	31,60.31

**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)**

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

Sectors	As at March 31, 2023			As at March 31, 2022		
	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.	-	-	-	-	-	-
<b>Total</b>						
3 Services						
i. Retail Loans	25061,83.15	287,761.22	11.48%	29021,14.23	3076,94.62	10.60%
ii. Wholesale Loans	452,42.21	-	-	831,92.92	-	-
<b>Total</b>	<b>25514,25.36</b>	<b>2877,61.22</b>		<b>29853,07.15</b>	<b>3076,94.62</b>	-
4 Personal Loans						
i.	-	-	-	-	-	-
ii.	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
5 Others, if any	-	-	-	-	-	-

Notes:

- (a) Percentage of Gross NPA to total advances at Company level as per RBI regulations for current and comparative years are as below :-  
 March 31, 2023 : 11.28%, March 31, 2022 : 10.31%

**36O. Customer complaints**

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

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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)**

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
<b>Current Year</b>					
Any Notice / request from Advocates/ RTO	225	2807	75%	633	443
Calls from unauthorized persons to pay	0	2011	NA	-	-
Payment not reflecting	36	1534	-38%	13	8
Recovery Agents/ Direct Sales Agents	12	528	23%	29	6
Renewed Insurance Policy Not received	-	494	-1%	-	-
Others	137	1682	-13%	121	90
<b>Total</b>	<b>410</b>	<b>9056</b>	<b>31%</b>	<b>796</b>	<b>547</b>
<b>Previous Year</b>					
Payment not reflecting	32	2461	-3%	36	-
Any Notice / request from Advocates/ RTO	122	1608	28%	225	93
Not applied for a loan, but getting calls	-	980	NA	104	94
Renewed Insurance Policy Not received	-	497	-40%	-	-
Recovery Agents/ Direct Sales Agents	5	428	86%	12	-
Others	10	957	9%	33	7
<b>Total</b>	<b>169</b>	<b>6931</b>	<b>21%</b>	<b>410</b>	<b>194</b>

**36P. Movement of NPAs**

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

**36Q. Forward Rate Agreement / Interest Rate Swap**

Particulars	(₹ in lakhs)	
	As at March 31 2023	As at March 31 2022
(i) The notional principal of swap agreements	718,60.00	1785,74.50
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	96,99.07	87,64.13
(iii) Collateral required by the applicable NBFC upon entering into swap	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	82,12.43	67,84.62

The Company as per its risk management policy, uses foreign exchange forward and other Interest Rate Swap (IRS) to hedge the risk exposure relating to changes in foreign currency exchange rate and interest rate.

Refer note 3 for accounting policies on derivative and hedging activities and note 42 for risk management policies adopted by the Company.

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**Quantitative Disclosures**

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

**36R. Disclosure on restructuring of MSME advances**

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

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

Particulars	(₹ in lakhs)	
	As at March 31	As at March 31
	2023	2022
No. of accounts restructured	-	14,337
Amount	-	1114,56.51

**36S. Disclosure on liquidity risk as per RBI notification RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies**

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

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

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

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

**(iii) Top 10 Borrowings**

(₹ in lakhs)	
Amount	% of Total Borrowings
17182,96.00	69.71%

**(iv) Funding Concentration based on significant instrument / product**

(₹ in lakhs)		
Name of the instrument/product	Amount	% to Total Liabilities
1 Term Loans (including External Commercial Borrowings)	15323,41.22	59.10%
2 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	13%	13%	11%
2 Non-convertible debentures (original maturity of less than one year) as a percentage of	none	none	none
3 Other short-term liabilities as a percentage of	41%	41%	35%

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

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**(vi) Institutional set-up for liquidity risk management**

Tata Motors Finance Limited (TMFL) has constituted an Asset Liability Supervisory Committee (ALCO) to oversee liquidity risk management. ALCO consists of Managing Director & Chief Executive Officer, Non-Executive Director, Chief Financial Officer, Chief Digital and Marketing Officer, Chief Credit Officer, Chief Risk Officer and Head - Treasury. The ALCO meetings are held every quarter. TMFL has a Risk Management Committee (RMC), a sub-committee of the Board, which oversees overall risks to which the Company is exposed including liquidity risk management (LRM). ALCO's views on liquidity and asset liability management are presented to RMC for its independent review on a regular basis. The ALCO and RMC also updates the Board at regular intervals.

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

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

(₹ in lakhs)				
	No. of Significant Counterparties*	Amount	Percentage to Total Deposits	Percentage to Total Liabilities
1	26	23254,34.72	NA	79.37%

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

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

**(iii) Top 10 Borrowings**

(₹ in lakhs)	
Amount	% of Total Borrowings
15597,59.76	54.96%

**(iv) Funding Concentration based on significant instrument / product**

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

**(v) Stock ratios**

Particulars	Total public funds	Total liabilities	Total assets
1	Commercial papers as a percentage of Non-convertible debentures (original maturity of less than one year) as a percentage of	15%	16%
2	Other short-term liabilities as a percentage of	none	none
3	Other short-term liabilities as a percentage of	35%	37%

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

**(vi) Institutional set-up for liquidity risk management**

Tata Motors Finance Limited (TMFL) has an Asset Liability Supervisory Committee (ALCO), a Board level Sub-committee to oversee liquidity risk management. ALCO consists of Non-Executive Director, Independent Directors, Chief Executive Officer and Group Chief Financial Officer. The ALCO meetings are held once in 3 months. TMFL has a Risk Management Committee (RMC), a sub-committee of the Board, which oversees overall risks to which the Company is exposed including liquidity risk management. ALCO's views on liquidity and asset liability management are presented to RMC for its independent review on a quarterly basis. The ALCO and RMC also updates the Board at regular intervals.

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**36T. Disclosure on Asset Classification and Provisions as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020**

(₹ in lakhs)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7= 4-6
<b>Performing Asset</b>						
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
<b>Subtotal</b>		<b>22636,37.05</b>	<b>296,77.40</b>	<b>22339,59.65</b>	<b>104,87.09</b>	<b>191,90.31</b>
<b>Non-Performing Asset (NPA)</b>						
<b>SubStandard</b>						
	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
<b>Subtotal of Doubtful</b>		<b>1457,81.15</b>	<b>903,75.58</b>	<b>554,05.57</b>	<b>920,10.24</b>	<b>(16,34.66)</b>
Loss	Stage-3	-	-	-	-	-
<b>Subtotal of NPA</b>		<b>2877,61.22</b>	<b>1454,86.62</b>	<b>1422,74.60</b>	<b>1062,08.25</b>	<b>392,78.37</b>
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	-	-	-	-	-
<b>Subtotal</b>		<b>27.09</b>	<b>0.20</b>	<b>26.89</b>	<b>-</b>	<b>0.20</b>
<b>TOTAL</b>	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
		<b>25514,25.36</b>	<b>1751,64.22</b>	<b>23762,61.14</b>	<b>1166,95.34</b>	<b>584,68.88</b>

In terms of requirement of RBI notification no. mentioned above on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reverse for any short fall in impairment allowance under Ind AS 109 and income Recognition and Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The Impairment allowance under Ind AS 109 made by the company exceeds the total provision required under IRACP (Including standard assets provisioning), as at March 31, 2023 and accordingly, no amount is required to be transferred to impairment reserve.

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

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

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

(₹ in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7= 4-6
<b>Performing Asset</b>						
Standard Asset	Stage-1	22861,77.55	89,09.15	22772,68.40	233,29.06	(144,19.90)
	Stage-2	3914,17.82	174,31.69	3739,86.13	156,81.90	17,49.79
<b>Subtotal</b>		<b>26775,95.37</b>	<b>263,40.84</b>	<b>26512,54.53</b>	<b>390,10.96</b>	<b>(126,70.11)</b>
<b>Non-Performing Asset (NPA)</b>						
<b>SubStandard</b>	Stage-3	2172,21.20	957,59.70	1214,61.50	217,22.12	740,37.58
Doubtful up to 1 Year	Stage-3	383,88.86	183,79.78	200,09.08	262,45.20	(78,65.42)
1 to 3 Years	Stage-3	435,00.31	153,11.45	281,88.86	313,20.51	(160,09.06)
More than 3 Years	Stage-3	85,84.25	78,17.04	7,67.21	68,67.40	9,49.64
<b>Subtotal of Doubtful</b>		<b>904,73.42</b>	<b>415,08.27</b>	<b>489,65.15</b>	<b>644,33.11</b>	<b>(229,24.84)</b>
Loss	Stage-3	-	-	-	-	-
<b>Subtotal of NPA</b>		<b>3076,94.62</b>	<b>1372,67.97</b>	<b>1704,26.65</b>	<b>861,55.23</b>	<b>511,12.74</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1	33.47	0.09	33.38	-	0.09
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
<b>Subtotal</b>		<b>33.47</b>	<b>0.09</b>	<b>33.38</b>	<b>-</b>	<b>0.09</b>
<b>TOTAL</b>	Stage-1	22862,11.02	89,09.24	22773,01.78	233,29.06	(144,19.82)
	Stage-2	3914,17.82	174,31.69	3739,86.13	156,81.90	17,49.79
	Stage-3	3076,94.62	1372,67.97	1704,26.65	861,55.23	511,12.74
		<b>29853,23.46</b>	<b>1636,08.90</b>	<b>28217,14.56</b>	<b>1251,66.19</b>	<b>384,42.71</b>

In terms of requirement of RBI notification no. mentioned above on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reverse for any short fall in impairment allowance under Ind AS 109 and income Recognition and Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The Impairment allowance under Ind AS 109 made by the company exceeds the total provision required under IRACP (Including standard assets provisioning), as at March 31, 2022 and accordingly, no amount is required to be transferred to impairment reserve.

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

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

**36.U**

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

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

RBI has mandated a minimum LCR of 70% and TMFL's LCR stood at 137% for the quarter ended March 31, 2023. Below is the quarterly summary of LCR values for financial year 2022- 2023.

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
<b>High Quality Liquid Assets (HQLA)</b>								
(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	-	-	-	-	-	-	-	-
<b>1 Total HQLA</b>	<b>1096,58.05</b>	<b>1096,58.05</b>	<b>871,97.36</b>	<b>871,97.36</b>	<b>992,99.35</b>	<b>992,99.35</b>	<b>983,28.34</b>	<b>983,28.34</b>
<b>Cash Outflow</b>								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	967,36.32	1112,46.77	282,14.97	324,47.22	656,84.49	755,37.17	737,16.57	847,74.06
4 Secured wholesale funding	861,50.35	990,72.90	716,39.80	823,85.77	902,06.89	1037,37.92	970,95.96	1116,60.35
<b>Additional requirements, of which</b>								
(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
<b>8 Total Cash Outflow</b>	<b>2783,67.13</b>	<b>3201,22.20</b>	<b>1873,06.00</b>	<b>2154,01.90</b>	<b>2424,44.86</b>	<b>2788,11.59</b>	<b>2693,19.89</b>	<b>3097,17.87</b>
<b>Cash Inflow</b>								
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
<b>12 Total Cash Inflow</b>	<b>7100,71.00</b>	<b>5325,51.00</b>	<b>7017,17.00</b>	<b>5262,87.00</b>	<b>5826,22.00</b>	<b>4369,66.00</b>	<b>5349,97.00</b>	<b>4012,47.00</b>
<b>13 Total HQLA</b>		1096,58.05		871,97.36		992,99.35		983,28.34
<b>14 Total Net Cash Outflow</b>		800,30.55		538,50.47		699,01.00		774,29.47
<b>15 LIQUIDITY COVERAGE RATIO (%)</b>		137%		162%		142%		127%

**Notes:**

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

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

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

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

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

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

RBI has mandated a minimum LCR of 60% from December 01, 2021 and TMFL's LCR stood at 106% for the quarter ended March 31, 2022.

(₹ in lakhs)

Particulars	Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
<b>High Quality Liquid Assets (HQLA)</b>								
(i) Fixed Deposits (unencumbered)	-	-	864,24.85	864,24.85	1085,33.11	1085,33.11	1249,17.20	1249,17.20
(ii) Cash & Bank Balance	897,28.40	897,28.40	92,54.76	92,54.76	-	-	-	-
(iii) Investment in Listed Companies	104,04.47	104,04.47	108,92.48	108,92.48	73,36.10	73,36.10	91,53.18	91,53.18
	-	-	-	-	38,63.23	38,63.23	27,56.02	27,56.02
<b>1 Total HQLA</b>	<b>1001,32.87</b>	<b>1001,32.87</b>	<b>1065,72.09</b>	<b>1065,72.09</b>	<b>1197,32.44</b>	<b>1197,32.44</b>	<b>1368,26.40</b>	<b>1368,26.40</b>
<b>Cash Outflow</b>								
<b>2 Deposits (for deposit taking companies)</b>	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	1262,08.87	1451,40.20	694,28.88	798,43.21	692,66.44	796,56.41	1004,94.03	1155,68.14
4 Secured wholesale funding	920,15.39	1058,17.70	1223,13.04	1406,59.99	971,17.67	1116,85.33	953,57.59	1096,61.23
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral	37.38	42.98	-	-	-	-	5,59.87	6,43.86
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	995,88.44	1145,26.71	741,40.11	852,61.12	677,69.59	779,35.02	767,09.35	882,15.75
7 Other contingent funding obligations	92,65.52	106,55.35	77,84.48	89,52.15	69,11.77	79,48.54	96,07.93	110,49.12
<b>8 Total Cash Outflow</b>	<b>3271,15.60</b>	<b>3761,82.94</b>	<b>2736,66.51</b>	<b>3147,16.47</b>	<b>2410,65.47</b>	<b>2772,25.30</b>	<b>2827,28.77</b>	<b>3251,38.10</b>
<b>Cash Inflow</b>								
<b>9 Secured lending</b>	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	731,87.94	548,90.95	726,77.05	545,07.78	656,26.30	492,19.73	731,46.27	548,59.70
11 Other cash inflows	6108,24.48	4581,18.36	4353,81.95	3265,36.46	5176,29.56	3882,22.17	5132,89.81	3849,67.36
<b>12 Total Cash Inflow</b>	<b>6840,12.42</b>	<b>5130,09.31</b>	<b>5080,59.00</b>	<b>3810,44.24</b>	<b>5832,55.86</b>	<b>4374,41.90</b>	<b>5864,36.08</b>	<b>4398,27.06</b>
<b>13 Total HQLA</b>		1001,32.87		1065,72.09		1197,32.44		1368,26.40
<b>14 Total Net Cash Outflow</b>		940,45.74		786,79.12		693,06.32		812,84.52
<b>15 LIQUIDITY COVERAGE RATIO (%)</b>		106%		135%		173%		168%

**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.

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

**37. Fair value measurements**

**Financial Instruments by categories**

The following table presents the carrying amounts of each category of financial assets and liabilities as at March 31, 2023

(₹ in lakhs)

Financial assets	Amortised cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
(a) Investments-other than Subsidiaries	908,81.46	129,96.52	401,99.39	-	-	1440,77.37
(b) Loans	11015,91.29	12740,41.93	-	-	-	23756,33.22
(c) Trade & other receivables	32,34.55	-	-	-	-	32,34.55
(d) Cash and cash equivalents	3227,01.92	-	-	-	-	3227,01.92
(e) Other bank balances	61,41.91	-	-	-	-	61,41.91
(f) Other financial assets	796,12.06	-	-	-	-	796,12.06
(g) Derivative financial instruments	-	-	-	-	96,99.07	96,99.07
<b>Total</b>	<b>16041,63.19</b>	<b>12870,38.45</b>	<b>401,99.39</b>	<b>-</b>	<b>96,99.07</b>	<b>29411,00.10</b>

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

**Fair value hierarchy**

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

(₹ in lakhs)

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

Particulars	As at March 31,2023					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at amortised cost for which fair value is disclosed</b>						
(a) Loans	11015,91.29	11124,36.83	-	-	11124,36.83	11124,36.83
<b>Total</b>	<b>11015,91.29</b>	<b>11124,36.83</b>	<b>-</b>	<b>-</b>	<b>11124,36.83</b>	<b>11124,36.83</b>

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

Particulars	As at March 31,2023					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at amortised cost for which fair value is disclosed</b>						
(a) Borrowings	74,87.24	75,12.72	-	7,512.72	-	75,12.72
(b) Debt securities	2963,03.13	2926,58.96	-	292,658.96	-	2926,58.96
(c) Subordinated liabilities	1311,67.23	1335,69.85	-	133,569.85	-	1335,69.85
<b>Total</b>	<b>4349,57.60</b>	<b>4337,41.53</b>	<b>-</b>	<b>4337,41.53</b>	<b>-</b>	<b>4337,41.53</b>

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

The following table presents the carrying amounts of each category of financial assets and liabilities as at March 31, 2022

(₹ in lakhs)

Financial assets	Amortised cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
(a) Investments-other than Subsidiaries	933,09.26	133,70.39	180,50.86	-	-	1247,30.51
(b) Loans	15846,86.16	12356,92.50	-	-	-	28203,78.66
(c) Trade & other receivables	35,34.00	-	-	-	-	35,34.00
(d) Cash and cash equivalents	2498,96.81	-	-	-	-	2498,96.81
(e) Other bank balances	434,22.56	-	-	-	-	434,22.56
(f) Other financial assets	681,97.04	-	-	-	-	681,97.04
(g) Derivative financial instruments	-	-	-	87,64.13	-	8,764.13
<b>Total</b>	<b>20430,45.83</b>	<b>12490,62.89</b>	<b>180,50.86</b>	<b>87,64.13</b>	-	<b>33189,23.71</b>

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Total carrying value
(a) Borrowings	18695,89.37	-	-	-	-	18695,89.37
(b) Debt securities	8049,37.43	-	-	-	-	8049,37.43
(c) Trade & other payables	293,78.00	-	-	-	-	293,78.00
(d) Subordinated liabilities	1500,55.82	-	-	-	-	1500,55.82
(e) Derivative financial instruments	-	-	-	19,79.51	-	19,79.51
(f) Other financial liabilities	770,96.66	-	-	-	-	770,96.66
<b>Total</b>	<b>29310,57.28</b>	-	-	<b>19,79.51</b>	-	<b>29330,36.79</b>

**Fair value hierarchy**

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

(₹ in lakhs)

Particulars	As at March 31, 2022					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>						
(a) Investments	314,21.24	314,21.24	94,32.26	-	219,88.98	314,21.24
(b) Derivative instruments	87,64.13	87,64.13	-	-	-	-
(c) Loans	12356,92.50	12356,92.50	-	-	12356,92.50	12356,92.50
<b>Total</b>	<b>12758,77.87</b>	<b>12758,77.87</b>	<b>94,32.26</b>	-	<b>12576,81.48</b>	<b>12671,13.74</b>

Particulars	As at March 31, 2022					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at amortised cost for which fair value is disclosed</b>						
(a) Loans	15846,86.16	16192,99.46	-	-	16192,99.46	16192,99.46
<b>Total</b>	<b>15846,86.16</b>	<b>16192,99.46</b>	-	-	<b>16192,99.46</b>	<b>16192,99.46</b>

Particulars	As at March 31, 2022					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>						
(a) Derivative instruments	19,79.51	19,79.51	-	1,979.51	-	19,79.51
<b>Total</b>	<b>19,79.51</b>	<b>19,79.51</b>	-	<b>1,979.51</b>	-	<b>19,79.51</b>

Particulars	As at March 31, 2022					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at amortised cost for which fair value is disclosed</b>						
(a) Borrowings	1307,15.82	1334,35.17	-	133,435.17	-	1334,35.17
(b) Debt securities	3386,59.36	3572,85.07	-	357,285.07	-	3572,85.07
(c) Subordinated liabilities	1500,55.82	1675,24.78	-	167,524.78	-	1675,24.78
<b>Total</b>	<b>6194,31.00</b>	<b>6582,45.02</b>	-	<b>6582,45.02</b>	-	<b>6582,45.02</b>

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

1. Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares and mutual fund investments.
  2. Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e; as prices) or indirectly (i.e; derived from prices). This level of hierarchy include Company's over-the-counter (OTC) derivative contracts.
  3. Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy include investments in certain unquoted equity shares.
- There has been no transfers between level 1, level 2 and level 3 during the year ended March 31,2023 and March 31, 2022.

**Valuation technique used to determine fair value of financial instruments**

- (a) Derivatives instruments are fair valued using market observable rates and published prices together with forecast cash flow information where applicable are classified in level 2. The fair value (i.e. Market to Market) of the derivative instruments is provided by independent third party external valuer (i.e. reputed banks/financial institution).
- (b) The fair value of loans arising from financing activities has been estimated by discounting expected cash flows using rates at which loans of similar credit quality and maturity would be made and internal assumptions such as expected credit losses and estimated collateral value as at March 31, 2023 and March 31, 2022. Since significant unobservable inputs are applied in measuring the fair value of loans arising from finance activities are classified in Level 3.
- (c) The fair value of borrowings is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity and credit quality are classified in level 2.
- (d) The fair value of the long term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts.
- (e) Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at FVTOCI as the directors believes this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.  
 Certain unquoted equity instruments 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
	2023	2022
Balance at the beginning of the year	12576,81.48	8093,97.08
Additions during the year	3530,26.85	8489,28.61
Mark to Market (loss)/gain recognized in OCI	(251,54.59)	15,08.88
Mark to Market gain recognized in P&L	6,41.47	53,33.98
Realised during the year	(2883,48.30)	(4074,87.07)
<b>Balance at the end of the year</b>	<b>12978,46.91</b>	<b>12576,81.48</b>

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

**38. Company as a Lessee**

The Company has leases for the office premises at its PAN India branches, rented yards for repossessed vehicles and for other equipments like Gensets. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of revenue) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (refer Note 12)

Leases of rented offices are generally limited to a lease term of 2 to 10 years. Leases of rented yards generally have a lease term ranging from 2 years to 7 years.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company.

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the year:

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

When measuring the lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate. Refer Note 43 on Financial Risk Management for maturity analysis of lease liabilities at March 31, 2023

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
	2023	2022
Depreciation expense of right-of-use assets	15,45.78	12,47.73
Interest expense on lease liabilities	6,44.85	5,07.72
Rent expense- Short term leases	5,68.90	8,52.57
Leases of low value assets	3.68	5.12
Variable lease payments (not being linked to any index or rate)	-	-

**39. Company as a Lessor**

The Company has given vehicles under operating lease.

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

Although the risks associated with rights that the Company retains in underlying assets are not considered to be significant, the Company employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate the Company when a property has been subjected to excess wear-and-tear during the lease term.

The undiscounted maturity analysis of future lease receivables is as follows-

Particulars	(₹ in lakhs)	
	As at March 31	As at March 31
	2023	2022
Within 1 year	31,17.15	44,16.64
1-2 years	16,83.83	33,71.23
2-3 years	6,71.64	12,30.72
3-4 years	4,72.27	87.71
4-5 years	1,07.34	-
Above 5 years	-	-
<b>Total</b>	<b>60,52.23</b>	<b>91,06.30</b>

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

**40. Finance Lease receivables**

The Company has entered into lease arrangements as a lessor that are considered to be finance leases. The Company leases vehicles and as it transfer's substantially all of the risks and rewards of ownership of the assets they are classified as finance leases. The lease term for these leases ranges from 2 to 7 years. The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

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

Further, Company has 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
	2023	2022
Finance income on the net investment in the lease	8,31.04	4,03.11

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

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

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.

Particulars	(₹ in lakhs)				
	As at April 01, 2021	Cash flows (net)	Exchange difference	Amortisation / EIR adjustments	As at March 31, 2022
	Debt securities	8334,87.69	(286,84.38)	-	1,34.12
Borrowings (Other than debt securities)	21098,90.94	(2477,53.46)	52,83.85	21,68.04	18695,89.37
Subordinated liabilities	1654,93.19	(154,45.00)	-	7.63	1500,55.82
<b>Total</b>	<b>31088,71.82</b>	<b>(2918,82.84)</b>	<b>52,83.85</b>	<b>23,09.79</b>	<b>28245,82.62</b>

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

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

**42. Maturity Analysis of Assets and Liabilities**

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

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

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

**43. Financial risk management**

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

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

**(A) Credit Risk**

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

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

**Exposure to Credit Risk**

The carrying amount of financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, time deposits with banks, loans arising from financing activities, Investment in debt instruments, derivative instruments and other financial assets excluding equity investments.

**Financial assets that are neither past due or impaired**

Credit risk on cash and cash equivalents and deposits with banks/financial institutions is generally low as the said deposits have been made with banks/financial institution who have been assigned high credit rating by international/domestic rating agencies.

Credit risk on derivative instruments is generally low as the Company enters into derivative contracts with reputed banks.

Investments of surplus funds are made only with internally approved financial institutions/counter party and primarily include investments in mutual funds and bank deposits.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding the derivative contracts, trade receivables and other financial assets are neither impaired nor past due, there were no indications as at March 31, 2023, that defaults in payment obligations will occur.

**i) Loans - Credit quality of financial assets and impairment loss**

Loans originate from financing activities to customers. Credit risk for loans is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Company grants credit terms in the normal course of business. Credit risk is monitored by the credit risk department of the Company independent Risk department/function who have the responsibility for reviewing and managing credit risk.

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

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company is in retail lending business on pan India basis. Vehicle Finance (consisting of new Commercial Vehicles, Passenger Vehicles) is lending against security. Hypothecation endorsement is made in favour of the Company in the Registration Certificate in respect of all registerable collateral. Portfolio is reasonably well diversified across South, North, East and Western parts of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, and Small Commercial Vehicles, are well diversified into sub product mix to mitigate concentration risk.

The maximum credit exposure to any single customer from the financing business as of March 31, 2023 was ₹ 151,96.46 lakhs lakhs (March 31, 2022: ₹ 147,06.23 lakhs).

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

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

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

The following table provides information about the credit quality of financial assets and impairment loss

The ageing of loans as of balance sheet date is given below. The ageing analysis have been considered from the due date.

(₹ in lakhs)

Particulars	Stage-1		Stage-2		Stage-3		Total	
	Loans (Gross)	Impairment loss allowance	Loans (Gross)	Impairment loss allowance	Loans (Gross)	Impairment loss allowance	Loans (Gross)	Impairment loss allowance
<b>As at 31st March 2022</b>	<b>21014,58.26</b>	<b>77,92.78</b>	<b>5750,44.16</b>	<b>185,34.04</b>	<b>3056,81.38</b>	<b>1354,78.31</b>	<b>29821,83.80</b>	<b>1618,05.14</b>
<b>Transfers during the year</b>								
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	-	-
	<b>(194,09.45)</b>	<b>87,80.44</b>	<b>(1075,01.09)</b>	<b>(55,60.31)</b>	<b>1269,10.56</b>	<b>(32,20.13)</b>	<b>-</b>	<b>-</b>
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)
<b>As at 31st March 2023</b>	<b>20399,61.70</b>	<b>158,30.67</b>	<b>2231,12.66</b>	<b>138,41.25</b>	<b>2874,79.42</b>	<b>1452,48.60</b>	<b>25505,53.76</b>	<b>1749,20.53</b>

  

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
<b>As at 31st March 2021</b>	<b>23284,92.64</b>	<b>128,44.60</b>	<b>6174,22.66</b>	<b>494,43.75</b>	<b>1737,82.13</b>	<b>525,38.34</b>	<b>31196,97.43</b>	<b>1148,26.70</b>
<b>Transfers during the year</b>								
Transfer to Stage-1	890,47.97	56,65.94	(840,08.26)	(44,07.62)	(50,39.71)	(12,58.32)	-	-
Transfer to Stage-2	(2929,21.10)	(20,23.36)	2955,71.78	28,03.82	(26,50.68)	(7,80.46)	-	-
Transfer to Stage-3	(531,91.90)	(5,30.22)	(1049,10.06)	(127,90.81)	1581,01.96	133,21.03	-	-
	<b>(2570,65.02)</b>	<b>31,12.36</b>	<b>1066,53.46</b>	<b>(143,94.61)</b>	<b>1504,11.57</b>	<b>112,82.25</b>	<b>-</b>	<b>-</b>
Impact of change in credit risk on account of stage movement	-	(96,15.47)	-	(46,38.83)	-	1409,46.03	-	1266,91.74
Changes in Opening Credit Exposure	(14161,59.99)	(28,80.25)	(2622,32.39)	(167,20.96)	(167,06.25)	(316,71.25)	(16950,98.64)	(512,72.46)
New Credit Exposure during the year (net of repayments)	14461,90.63	43,31.54	1132,00.43	48,44.69	690,80.69	332,69.70	16284,71.76	424,45.93
Amount Written off During the year	-	-	-	-	(708,86.76)	(708,86.76)	(708,86.76)	(708,86.76)
<b>As at 31st March 2022</b>	<b>21014,58.26</b>	<b>77,92.78</b>	<b>5750,44.16</b>	<b>185,34.04</b>	<b>3056,81.38</b>	<b>1354,78.31</b>	<b>29821,83.80</b>	<b>1618,05.14</b>

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

**(B) Management of Liquidity risk**

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

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

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

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

(₹ in lakhs)						
Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
<b>Non derivatives financial liabilities</b>						
Borrowings	17118,26.47	9277,45.75	5410,75.17	4353,66.87	-	19041,87.79
Trade and other payables	308,54.54	308,54.54	-	-	-	308,54.54
Debt securities	6219,10.58	4342,64.61	1285,33.83	966,31.64	-	6594,30.08
Subordinated liabilities	1311,67.23	339,97.99	379,68.98	480,18.13	603,27.67	1803,12.77
Lease liabilities	82,49.64	19,82.30	19,59.47	44,17.59	20,78.92	104,38.28
Other financial liabilities (other than lease liabilities)	701,95.74	688,65.99	1,75.01	7,90.24	-	698,31.24
<b>Derivatives</b>						
Derivative contracts	14,86.64	-	1,486.64	-	-	14,86.64
<b>Total</b>	<b>25756,90.82</b>	<b>14977,11.18</b>	<b>7111,99.12</b>	<b>5852,24.47</b>	<b>624,06.59</b>	<b>28565,41.34</b>

Contractual maturities of borrowings includes cash flows relating to collateralized debt obligations. This represents the amount received against the transfer of loans arising from financing activities in securitisation transactions and/or direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturities of such collateralized debt obligations are as follows:

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

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

(₹ in lakhs)						
Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
<b>Non derivatives</b>						
Borrowings	18695,89.37	9890,79.43	6255,01.78	4173,66.72	-	20319,47.93
Trade and other payables	293,78.00	293,78.00	-	-	-	293,78.00
Debt securities	8049,37.43	6207,77.84	1076,75.82	1283,86.61	-	8568,40.27
Subordinated liabilities	1500,55.82	326,69.46	340,10.15	534,41.93	877,32.50	2078,54.04
Lease liabilities	72,09.09	32,76.93	31,59.92	69,99.83	36,10.01	170,46.69
Other financial liabilities	698,87.57	698,87.57	-	-	-	698,87.57
<b>Derivatives</b>						
Derivative contracts	19,79.51	-	-	19,79.51	-	19,79.51
<b>Total</b>	<b>29330,36.79</b>	<b>17450,69.23</b>	<b>7703,47.67</b>	<b>6081,74.61</b>	<b>913,42.51</b>	<b>32149,34.01</b>

Contractual maturities of borrowings includes cash flows relating to collateralized debt obligations. This represents the amount received against the transfer of loans arising from financing activities in securitisation transactions and/or direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturities of such collateralized debt obligations are as follows:

(₹ in lakhs)						
Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
Collateralized debt obligations	1181,71.75	913,11.77	328,57.91	16,06.22	-	1257,75.90

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

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

\* The above excludes the foreign currency denominated floating interest rate borrowings, the Company manages its interest rate risk by entering into interest rate swap and cross currency interest rate swap derivative instruments in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

**Interest rate sensitivity**

Profit or loss is sensitive to interest expense from variable rate borrowings as a result of changes in interest rate. Increase/decrease of 100 basis points in interest rates at the reporting date would result in an impact (decrease/increase in case of profit/(loss) before tax of ₹ 153,09.19 lakhs and ₹ 157,64.22 lakhs on income for the year ended March 31, 2023 and March 31, 2022 respectively.

The above sensitivity analysis assumes that all other variables remain constant and the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

**(iii) Equity price risk**

Equity price risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments measured at fair value through other comprehensive income and fair value through profit and loss exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in equity securities as at March 31, 2023 and March 31, 2022 was ₹ 310,44.80 lakhs and ₹ 318,90.47 lakhs respectively.

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

(Note: The impact is indicated on equity before consequential tax impact, if any).

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

**Capital management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company. The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, convertible and non-convertible debt securities, and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of regulatory capital ratio viz. CRAR

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future periods. Refer the below note for dividend declared and paid.

Total debt includes all long and short-term borrowings as disclosed in notes 16 to 18 to the financial statements. Equity comprises all components excluding (profit)/loss on cash flow hedges.

Below are the key regulatory capital ratios at the year end dates

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

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

In addition the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders which is monitored and complied by the Company.

**44. Transfer of financial assets**

The Company transfers loans arising from financing activities through securitisation and assignment transactions. In most of these transactions, the Company also provides credit enhancements to the transferee.

Because of the existence of credit enhancements in such transactions, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset and continues to retain substantially all risks and rewards associated with the receivables, and hence, such transfer does not meet the derecognition criteria resulting into the transfer not being recorded as sale. Consequently, the proceeds received from the transfer are recorded as collateralized debt obligation.

The carrying amount of loans arising from financing activities along with the associated liabilities is as follows:

Nature of Assets	(₹ in lakhs)			
	As at March 31, 2023		As at March 31, 2022	
	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
Loans	106,90.83	74,87.24	1246,48.08	1181,71.75

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

45. The Parliament has approved the Code on Social Security, 2020 ('the Code') which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact, if any, in the financial results following the Code becoming effective and the related rules being framed and notified.

**46.**

**Other disclosures**

- No penalties were imposed by RBI and other regulators during the financial year 2022-23. (financial year 2021-22: Nil)
- The Company does not have any exposure in real estate sector during the financial year 2022-23. (financial year 2021-22: Nil)
- The Company has not exceeded the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2022-23. (financial year 2021-22: Nil)
- The Company is only registered with Reserve Bank of India as a Systemically Important Non Deposit Taking Non Banking Financial Company.
- The Company has not drawn down any amounts from the reserves during the financial year 2022-23 except as disclosed in Statement of Changes in
- The Company has not sold any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year 2022-23.
- The Company has not purchased any non-performing financial assets during the financial year 2022-23. (financial year 2021-22: Nil)
- The Company does not have any exceptional items of income and expenditure during the financial year 2022-23. (financial year 2021-22: Nil)
- The Company does not have any divergence in provisioning and gross NPA reported by company and assessed by RBI in inspection report for FY 21-22.
- No modified opinion(s) or other reservation(s) has been mentioned in the audit report or limited review report in respect of the financial results of any previous financial year or quarter which has an impact on the profit or loss of the reportable period.

**11 Overseas assets (for those with joint ventures and subsidiaries abroad)**

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

**12 Unsecured advances**

As at March 31, 2023, the amount of unsecured advances stood at Rs.363,30.91 Lakhs (March 31, 2022: Rs. 789,20.38 Lakhs).

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

**TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)**

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

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

**a. Title deed of immovable properties**

The title deed of properties are held in the name of Company. Hence, other disclosure requirements are not applicable.

b. As at March 31, 2023 and as at March 31, 2022, the Company does not have any loans or advances outstanding to promoters, directors, KMPs and the related parties, that are repayable on demand or without specifying any terms of repayment.

c. Capital Work in Progress & Intangible Assets under Development amounted to Nil at March 31, 2023 and Nil at March 31, 2022.

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

**e. Borrowings from banks or financial institutions**

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

**f. Wilful Defaulter**

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

g. During FY2023 and FY2022, the Company did not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

**h. Registration of charges or satisfaction with Registrar of Companies (ROC)**

At March 31, 2023 and at March 31, 2022, there is no charges or satisfaction with charge yet to be registered with Registrar of Companies beyond the statutory period.

**i. Compliance with number of layers of companies**

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

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

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

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

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

**TATA MOTORS FINANCE LIMITED (CIN - U45200MH1989PLC050444)**

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

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

**Format B: Disclosure for year ended March 31, 2023**

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

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

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

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

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

\*\*Excluding deal under co-lending arrangement of ₹ 113,03.00 Lakhs (Bank contribution is ₹ 90,43.00 Lakhs)

**50. Asset Held for sale**

The Company has acquired underlying collateral in satisfaction of its receivable from certain borrowers and has classified those assets as held for sale. As at March 31, 2023 assets held for sale amounted to ₹ 170,63.56 lakhs (as at March 31, 2022 ₹426,50.37 lakhs). The Company expects to dispose off these assets in open market within next 1 year.

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

**51. Fraud**

As required by Reserve Bank of India circular No RBI/2011-12/424 DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 on monitoring of frauds, the Company has reported fraud amounting to ₹ 20.70 lakhs during year ended March 31, 2023 (during the year ended March 31, 2022 ₹ 1,38.71 lakhs) vide form FMR 1.

**52. Unhedged foreign currency exposure**

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

**53. Breach of Covenant**

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

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

**TIRTHARAJ  
ANNASAHEB  
KHOT**

Digitally signed by  
TIRTHARAJ ANNASAHEB  
KHOT  
Date: 2023.04.28  
22:56:41 +05'30'

Tirtharaj Khot  
Partner  
Membership No. 037457

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

**ATUL  
HIRALA  
L SHAH**

Digitally signed by  
ATUL  
HIRALA SHAH  
Date: 2023.04.28  
22:37:52 +05'30'

Atul Shah  
Partner  
Membership No. 039569

**Palamadai  
Sundararajan  
Jayakumar**

Digitally signed by  
Palamadai Sundararajan  
Jayakumar  
Date: 2023.04.28 22:06:42  
+05'30'

P. S. Jayakumar  
Director  
(DIN - 01173236)

**PATHAMADAI  
BALACHANDRAN  
AN BALAJI**

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PATHAMADAI  
BALACHANDRAN  
BALAJI  
Date: 2023.04.28  
20:39:01 +05'30'

P.B. Balaji  
Director  
(DIN - 02762983)

Place: Mumbai  
Date: April 28, 2023

Place: Mumbai  
Date: April 28, 2023

**SAMRAT  
GUPTA**

Digitally signed by  
SAMRAT GUPTA  
Date: 2023.04.28  
21:58:55 +05'30'

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

**RIDHI ZAVERI  
GANGAR**

Digitally signed by  
RIDHI ZAVERI GANGAR  
Date: 2023.04.28  
21:55:44 +05'30'

Ridhi Gangar  
Chief Financial Officer

**VINAY  
BABURAO  
LAVANNIS**

Digitally signed  
by VINAY  
BABURAO  
LAVANNIS  
Date: 2023.04.28  
22:01:46 +05'30'

Vinay Lavannis  
Company Secretary  
Membership No:-A7911

Place: Mumbai  
Date: April 28, 2023

**Tata Motors Finance Limited (CIN - U45200MH1989PLC050444)**

**Schedule to the Balance Sheet as at March 31, 2023 of a non-deposit taking non-banking financial Company**

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

**Liabilities side:** (₹ in lakhs)

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

**Assets Side :** (₹ in lakhs)

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

(₹ in lakhs)

<b>3 Break up of Leased Assets and stock on hire and other assets towards AFC activities</b>	<b>Amount Outstanding</b>
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	81,54.50
(b) Operating lease	8,44.52
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	131,01.89
(b) Loans other than (a) above	25374,51.86



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

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

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provision)
1 Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	309,07.69	309,07.69
(c) Other related parties	-	-
2 Other than Related Parties		
<u>Quoted</u>		
Investment in Equity Shares	3,27.11	3,27.11
<u>Unquoted</u>		
Investment in NCDs	-	-
Investment in Senior Pass Through Certificates	-	-
Investment in Units of Mutual fund	207,12.67	207,12.67
Others	921,29.90	921,29.90
<b>Total</b>	1440,77.37	1440,77.38

**(7) Other information**

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

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

Note 2: Commercial Paper of ₹ 3256,07.45 lakhs are net of unamortised discounting charges and unamortised borrowing cost amounting to ₹ 130,92.55 lakhs.

Palamadai  
Sundararajan  
Jayakumar  
P. S. Jayakumar  
Director  
(DIN - 01173236)

Digitally signed by Palamadai  
Sundararajan Jayakumar  
Date: 2023.04.28 22:07:15  
+05'30'

PATHAMADAI  
BALACHANDR  
AN BALAJI  
P.B. Balaji  
Director  
(DIN - 02762983)

Digitally signed by  
PATHAMADAI  
BALACHANDRAN BALAJI  
Date: 2023.04.28  
20:38:27 +05'30'

**SAMRAT  
GUPTA**

Digitally signed by  
SAMRAT GUPTA  
Date: 2023.04.28  
21:59:18 +05'30'

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

**RIDHI ZAVERI  
GANGAR**

Digitally signed by  
RIDHI ZAVERI GANGAR  
Date: 2023.04.28  
21:56:07 +05'30'

BABURAO  
LAVANNIS  
Vinay Lavannis

Digitally signed by  
VINAY BABURAO  
LAVANNIS  
Date: 2023.04.28  
22:02:09 +05'30'

Place: Mumbai  
Date : April 28, 2022

Ridhi Gangar  
Chief Financial Officer

Company Secretary  
Membership No:-A7911