

Tata Motors Finance Limited
Annual Financial Statements
For the year ended March 31, 2019

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Tata Motors Finance Limited

(formerly known as Sheba Properties Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Motors Finance Limited (*formerly known as Sheba Properties Limited*) ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Continued)**Tata Motors Finance Limited***(formerly known as Sheba Properties Limited)***Key Audit Matters (Continued)**

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Transition date accounting policies	
<i>Refer to the accounting policies in the Financial Statements: Significant Accounting Policies- "Basis of preparation" and "Note 4 to the Financial Statements: Transition date choices and application"</i>	
<p>Adoption of new accounting framework (Ind AS)</p> <p>Effective 1 April 2018, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017.</p> <p>The following are the major impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> - Classification and measurement of financial assets and financial liabilities including assessment of business model - Measurement of loan losses (expected credit losses) - Accounting for securitization and assignment - Accounting for loan fees and costs - Common control transaction and goodwill accounting <p>The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, <i>First Time Adoption of Indian Accounting Standard</i> prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</p> <p>We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.</p>	<p>Our key audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. • We confirmed the approvals of the Audit Committee of the Company for the choices and exemptions made by the Company for compliance/acceptability under Ind AS 101. <p>Substantive tests</p> <ul style="list-style-type: none"> • Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101. • Understood the methodology implemented by management to give impact on the transition. • Assessed the accuracy of the computations. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS.

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Independent Auditor's Report (Continued)**Tata Motors Finance Limited***(formerly known as Sheba Properties Limited)***Key Audit Matters (Continued)**

Key audit matter	How the matter was addressed in our audit
Impairment of financial assets	
Charge: Rs.285,86.90 lakhs for year ended 31 March 2019 Provision: Rs.783,28.20 lakhs at 31 March 2019	
<i>Refer to the accounting policies in "Note 3(xv)(A)(iii) to the Financial Statements: Impairment", "Note 3(i) to the Financial Statements: Significant Accounting Policies- use of estimates" and "Note 9 and Note 10 to the Financial Statements: Loans and Investments"</i>	
<p>Subjective estimate</p> <p>Recognition and measurement of impairment of financial assets involves significant management judgement.</p> <p>With the applicability of Ind AS 109 <i>Financial Instruments</i>, credit loss assessment is now based on expected credit loss ("ECL") model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors.</p> <p>The most significant factors are:</p> <ul style="list-style-type: none"> - Segmentation of loan book - Loan staging criteria - Calculation of probability of default / loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors <p>There is a significant dependency on the various data inputs to be considered in the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</p>	<p>Our audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> • Evaluation of the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice. • Understanding management's processes, systems and controls implemented in relation to impairment allowance process. • Assessing the design and implementation of key internal financial controls and entity level controls (including controls around information provided by the Company) over loan impairment process used to calculate the impairment charge. • We used our modelling specialist to test the model methodology and reasonableness of assumptions used. • Testing of management review controls over measurement of impairment allowances and disclosures in financial statements. <p>Substantives tests</p> <ul style="list-style-type: none"> • We focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data.

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Independent Auditor's Report (Continued)**Tata Motors Finance Limited***(formerly known as Sheba Properties Limited)***Key Audit Matters (Continued)**

Key audit matter	How the matter was addressed in our audit
Impairment of financial assets (Continued)	
Charge: Rs.285,86.90 lakhs for year ended 31 March 2019	
Provision: Rs.783,28.20 lakhs at 31 March 2019	
	<ul style="list-style-type: none"> • Model calculations were tested through re-performance where possible. • The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, the period of historical loss rates used, loss emergence periods, economic forward looking factors and the valuation of recovery assets and collateral.

Key audit matter	How the matter was addressed in our audit
Information technology ('IT')	
IT systems and controls	
<p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses three primary systems for its financial reporting.</p> <p>Due to the large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant.</p> <p>We have focused on user access management, change management, interface controls and system application controls over key financial accounting and reporting systems.</p>	<p>Our audit procedures to assess the IT system access management included the following:</p> <p>General IT controls / application controls and user access management</p> <ul style="list-style-type: none"> • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access rights, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine the operating effectiveness of application controls. For those controls that were changed during the year, we tested the standard change management process. • We evaluated the design, implementation and operating effectiveness of the significant accounts related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.

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Independent Auditor's Report (Continued)**Tata Motors Finance Limited***(formerly known as Sheba Properties Limited)***Key Audit Matters (Continued)**

Key audit matter	How the matter was addressed in our audit
Information technology (Continued)	
	<ul style="list-style-type: none"> Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.

Key audit matter	How the matter was addressed in our audit
Assessment of Deferred Taxes on unabsorbed losses	
<i>Refer to the accounting policies in "Note 3(iv) to the Financial Statements: Income Taxes", "Note 3(i) to the Financial Statements: Significant Accounting Policies- use of estimates and judgement" and "Note 12 to the Financial Statements: Deferred Tax Assets"</i>	
<p>Subjective estimate</p> <p>The recognition of a deferred tax asset in respect of tax losses is permitted only to the extent that it is probable that future taxable profits will be available to utilise the tax losses carried forward.</p> <p>Further, when there is a history of unabsorbed tax losses, deferred tax asset is recognised only to the extent of the Company having sufficient taxable temporary differences or convincing evidence to support that there will be sufficient taxable profit against which the tax losses can be absorbed.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> We understood and tested key controls over the production and approval of the forecast taxable profits used to support the recognition of deferred tax assets. We reviewed the history of brought forward unabsorbed tax losses of the Company. We reviewed the Company's actual performance vis-à-vis their budgets for the current and past years. We discussed with management their basis and assumptions in respect of convincing evidence to support that there will be sufficient taxable profit to absorb the tax losses.

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Independent Auditor's Report (Continued)

Tata Motors Finance Limited

(formerly known as Sheba Properties Limited)

Other Information

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

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. The other information is expected to be made available to us after the date of this auditor's report.

Management's Responsibility for the Financial Statements

The Company's management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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Independent Auditor's Report (Continued)

Tata Motors Finance Limited

(formerly known as Sheba Properties Limited)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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Independent Auditor's Report (Continued)

Tata Motors Finance Limited

(formerly known as Sheba Properties Limited)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The transition date opening balance sheet as at 1 April 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 dated 19 May 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

Independent Auditor's Report (Continued)

Tata Motors Finance Limited

(formerly known as Sheba Properties Limited)

Report on Other Legal and Regulatory Requirements (Continued)

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigation as at 31 March 2019 on its financial position in its financial statements - Refer Note 35 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid / provided by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022



Manoj Kumar Vijai

Partner

Membership No.046882

Mumbai
6 May 2019

Tata Motors Finance Limited

(formerly known as Sheba Properties Limited)

Annexure A to the Independent Auditor's report - 31 March 2019

(Referred to in 'Report on Other Legal and Regulatory Requirement' section of our report of even date)

We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a program of verification to cover all the items of fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the details given below:

Particulars	Gross Block as on 31 March 2019 (Rs in Lakhs)	Net Block as on 31 March 2019 (Rs in Lakhs)	Remarks
Residential flat in Nilgiri Upavan Co-operative Housing Society Limited	61.48	59.13	<p>The title deeds are in the name of TML Financial Services Limited which is the erstwhile name of present day TMF Holdings Limited (the parent entity of the Company). The name of the parent entity changed from TML Financial Services Limited to Tata Motors Finance Limited (TMFL) in the year 2006 and further changed from TMFL to TMF Holdings Limited in the year 2017.</p> <p>This asset was acquired pursuant to a Scheme of arrangement for transfer of business undertaking (Scheme) under section 391 to 394 of the Companies Act 1956 between the Company and its parent entity which pursuant to the scheme approved by National Company Law Tribunal have vested into the Company.</p>

- ii. The Company is in the business of lending and consequently does not hold any physical inventories. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are no loans / guarantees or security provided in connection with any loan which have been given to directors or to any other person in whom the director is interested, therefore the provisions of section 185 of the Act are not applicable to the Company. According to information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans, investments, guarantees, and securities granted.

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Tata Motors Finance Limited

(formerly known as Sheba Properties Limited)

Annexure A to the Independent Auditor's report - 31 March 2019 (Continued)

- v. The Company is a non-banking finance company and consequently is exempt from provision of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, goods and service tax, value added tax, cess and other material statutory dues have been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, goods and service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, following dues have not been deposited by the Company on account of dispute:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which it relates	Amount involved (Rs. in Lakhs)	Net of amount paid under protest* (Rs. in Lakhs)
Andhra Pradesh Value Added Tax Act, 2005	Value added tax ('VAT')	High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh	F.Y 2007-08 to 2012-13	1,005.28	670.19
Andhra Pradesh Value Added Tax Act, 2005	Penalty on VAT	High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh	F.Y 2007-08 to 2012-13	1,005.28	1,005.28
Andhra Pradesh Value Added Tax Act, 2005	VAT	High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh	F.Y 2013-14 to 2016-17	2,213.49	1,475.66
Andhra Pradesh Value Added Tax Act, 2005	Penalty on VAT	High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh	F.Y 2013-14 to 2016-17	2,213.49	2,213.49
West Bengal Value Added Tax Act, 2005	VAT	Supreme Court of India	FY 2007-08 and FY 2011-12	364.93	NIL.

Tata Motors Finance Limited

(formerly known as Sheba Properties Limited)

Annexure A to the Independent Auditor's report - 31 March 2019 (Continued)

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which it relates	Amount involved (Rs. in Lakhs)	Net of amount paid under protest* (Rs. in Lakhs)
Jharkhand Value Added Tax Act, 2006	VAT	Joint Commissioner (A) Jharkhand Commercial Tax	F.Y 2016-17	24.28	24.28
Madhya Pradesh Value Added Tax Act, 2006	Entry Tax	Appellate Authority, Bhopal	F.Y 2013-14	79.42	47.65
Uttar Pradesh Value Added Tax Act, 2008	VAT	Commercial tax Tribunal Lucknow (Appeal)	FY 2007-08 and 2008-09	9.00	NIL
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal ('CESTAT') Mumbai	January 2012 to March 2015	774.77	NIL
Finance Act, 1994	Service Tax	CESTAT Mumbai	April 2006 to March 2015	523.33	488.92
Finance Act, 1994	Service Tax	CESTAT Mumbai	April 2008 to March 2015	5,486.45	5,248.11
Finance Act, 1994	Service Tax	Commissioner (A), Service tax, Mumbai	July 2012 to March 2016	89.27	66.22

*The Company has deposited amount under protest.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks or debenture holders during the year. During the year Company did not have any loans or borrowings from the Government.
- ix. According to information and explanations given to us and based on our examination of the records of the Company, the Company has applied money raised from the term loans during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. Company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year.
- x. According to information and explanations given to us and based on our examination of the records of the Company, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided the managerial remuneration during the year. Accordingly, paragraph 3(xi) is not applicable to the Company.

Tata Motors Finance Limited

(formerly known as Sheba Properties Limited)

Annexure A to the Independent Auditor's report - 31 March 2019 (Continued)

- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. According to information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of equity shares and private placement of Compulsorily Convertible Preference Shares during the year under review and in our opinion and according to the information and explanation given to us, the requirements of section 42 of the Act have been complied with and amount raised have been used for the purposes for which the funds has been raised.
- xv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. According to information and explanations given to us, the Company is registered, as required under section 45 IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner

Membership No. 046882

Mumbai
6 May 2019

Tata Motors Finance Limited

(Formerly known as Sheba Properties Limited)

Annexure B to the Independent Auditor's report on the financial statements of Tata Motors Finance Limited [formerly known as Sheba Properties Limited]

Report on the internal financial controls with reference to the aforesaid financial statements under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Tata Motors Finance Limited [formerly known as Sheba Properties Limited] ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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



Tata Motors Finance Limited

(Formerly known as Sheba Properties Limited)

Annexure B to the Independent Auditor's report on the financial statements of Tata Motors Finance Limited (formerly known as Sheba Properties Limited) (continued)

Auditor's Responsibility (Continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai

Partner

Membership No. 046882

Particulars	Notes	As at	As at	As at
		March 31, 2019	March 31, 2018	April 01, 2017
ASSETS				
1 Financial assets				
(a) Cash and cash equivalents	5	700,79.63	189,05.98	215,45.00
(b) Bank Balance other than cash and cash equivalents	6	977,83.10	645,77.61	573,45.40
(c) Derivative financial instruments	15	1,17.79	-	-
(d) Receivables				
i. Trade receivables	7	33,87.67	22,12.93	6,60.96
ii. Other receivables	8	8,90.80	1,53.56	7,35.37
(e) Loans	9	29995,56.80	21543,79.85	16481,85.98
(f) Investments	10	588,83.79	174,52.54	273,18.75
(g) Other financial assets	11	138,90.37	18,58.27	21,85.23
		32445,89.95	22595,40.74	17579,76.69
2 Non-financial assets				
(a) Current tax assets (net)		70,98.68	12,62.52	6,64.19
(b) Deferred tax assets (net)	12	175,31.19	109,31.19	-
(c) Property, plant and equipment	13	98,44.63	43,37.93	23,33.89
(d) Capital work-in-progress		26.84	51.30	-
(e) Other intangible assets	13A	4,35.00	5,18.10	1,56.77
(f) Other non-financial assets	14	121,95.32	42,41.84	75,82.46
		471,31.66	213,42.88	107,37.31
Total assets		32917,21.61	22808,83.62	17687,14.00
LIABILITIES AND EQUITY				
1 Financial liabilities				
(a) Derivative financial instruments	15	2,30.85	-	-
(b) Payables				
(i) Trade payables	16			
- total outstanding dues of micro enterprises and small enterprises		-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		236,58.74	134,84.26	182,36.45
(ii) Other payables				
- total outstanding dues of micro enterprises and small enterprises		-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		42,71.78	46,50.20	42,35.63
(c) Debt securities	17	9328,45.12	9459,51.35	6854,35.56
(d) Borrowings (Other than debt securities)	18	17933,78.96	9041,73.84	7553,29.92
(e) Subordinated liabilities	19	2002,54.92	1751,81.80	1501,75.08
(f) Other financial liabilities	20	220,76.40	229,41.79	209,02.81
		29767,16.77	20663,83.24	16343,15.45
2 Non-financial liabilities				
(a) Current tax liabilities (net)		51.65	8,02.41	57.80
(b) Provisions	21	124,21.37	120,79.30	121,63.31
(c) Other non-financial liabilities	22	58,55.54	59,32.86	12,84.63
		183,28.56	188,14.57	135,05.74
3 Equity				
(a) Equity share capital	23	583,84.69	538,73.42	491,49.00
(b) Other equity		2382,91.59	1418,12.39	717,43.80
		2966,76.28	1956,85.81	1208,92.80
Total liabilities and equity		32917,21.61	22808,83.62	17687,14.00

See accompanying notes forming part of the financial statements (1 to 43)

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants


Firm Registration Number: 101248W/W-100022

Manoj Kumar Vijai
Partner

Membership No. 046882



Place : Mumbai
Date: May 06, 2019

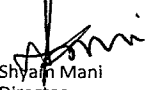
For and on behalf of the Board of Directors



Nasser Munjee
Chairman
(DIN - 00010180)


P.B. Balaji
Director
(DIN - 02762983)


Samraj Gupta
Chief Executive Officer


Vinay Lavaniis
Company Secretary
Place: Mumbai
Date: May 06, 2019

Vedika Bhandarkar
Director
(DIN - 00033808)


Shyam Mani
Director
(DIN - 00273598)


Anand Bang
Chief Financial Officer

TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED) (CIN - U45200MH1989PLC050444)
Statement of Profit and Loss for the year ended March 31, 2019

(₹ in lakhs)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
(a) Interest income	25	2999,04.91	2250,26.08
(b) Dividend income		3,55.09	4,05.80
(c) Rental income		11,14.04	1,62.40
(d) Net gain on fair value changes	26	17,36.26	11,79.48
(e) Other fees and service charges		104,80.07	76,95.60
I Total Revenue from operations		3135,90.37	2344,69.36
II Other income	27	112,58.61	99,49.05
III Total income (I + II)		3248,48.98	2444,18.41
IV Expenses:			
(a) Finance cost	28	2040,57.44	1416,54.47
(b) Impairment of financial instruments and other assets	29	285,86.90	104,95.47
(c) Employee benefits expenses	30	284,70.59	255,87.23
(d) Depreciation and amortization	13	16,78.49	12,54.78
(e) Other expenses	31	482,67.90	445,66.34
Total expenses		3110,61.32	2235,58.29
V Profit before exceptional items and tax (III - IV)		137,87.66	208,60.12
VI Exceptional items		-	-
VII Profit before tax (V - VI)		137,87.66	208,60.12
VIII Tax expense / (income)			
Current tax	12	-	(18,99.46)
Deferred tax	12	(66,00.00)	(44,49.35)
Total tax expense		(66,00.00)	(63,48.81)
IX Profit for the year from continuing operations (VII - VIII)		203,87.66	272,08.93
X Profit for the year		203,87.66	272,08.93
XI Other comprehensive income			
A i. Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit plans		4,02.03	6,86.79
b. Equity Instruments through Other Comprehensive Income		5,27.67	5,32.86
ii. Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal (A)		9,29.70	12,19.65
B i. Items that will be reclassified to profit or loss			
a. Gains and (losses) in cash flow hedges		(3,77.10)	-
Subtotal (B)		(3,77.10)	-
Other Comprehensive Income (A + B)		5,52.60	12,19.65
XII Total comprehensive income for the year		209,40.26	284,28.58
XIII Earnings per equity share of ₹ 100 each			
Basic (in Rs.)		37.65	54.23
Diluted (in Rs.)		29.86	48.19

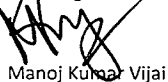
See accompanying notes forming part of the financial statements (1 to 43)

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Manoj Kumar Vijai
Partner

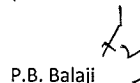
Membership No. 046882


Place : Mumbai

Date: May 06, 2019

For and on behalf of the Board of Directors


Nasser Munjee
Chairman
(DIN - 00010180)



P.B. Balaji
Director
(DIN - 02762983)



Samrat Gupta
Chief Executive Officer


Vinay Lavannis
Company Secretary

Place: Mumbai

Date: May 06, 2019


Vedika Bhandarkar
Director
(DIN - 00033808)

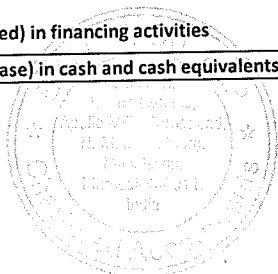

Shyam Mani
Director
(DIN - 00273598)


Anand Bang
Chief Financial Office

TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED) (CIN - U45200MH1989PLC050444)
Cash Flow Statement for the year ended March 31, 2019

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	137,87.66	208,60.12
Adjustments for:		
Interest income on loans, deposits & investments	(2999,04.91)	(2250,26.08)
Interest expenses and other finance costs	1372,65.26	843,12.98
Dividend income	(3,55.09)	(4,05.80)
Discounting charges/premium on Commercial paper & Zero coupon bonds	667,92.18	573,41.49
Gain on sale of investments	(15,70.52)	(8,96.05)
MTM on investments measured at fair value through profit or loss	(1,65.74)	(2,83.43)
Provision for doubtful loans (net of writeoff)	285,38.83	92,30.35
Provision for doubtful loans and advances (others)	(66.49)	12,65.12
Provision for diminution in the value of investment	1,14.55	-
Provision for consumer disputes	2,67.01	(18.97)
Provision for indirect taxes	-	6.67
Depreciation and amortisation expense	16,78.49	12,54.78
Loss on sale of property, plant & equipments (including write off)	12.40	1,30.70
Balances written back	(12,66.86)	(11,54.90)
Operating cash flow before working capital changes and discounting charges	(548,73.23)	(533,83.02)
Movements in working capital		
Trade payables	114,41.34	(35,97.29)
Other payables	(3,78.42)	4,14.57
Other financial liabilities	(22,11.83)	61,07.94
Other non financial liabilities	(77.32)	46,48.23
Trade receivables	(11,74.73)	(15,51.97)
Other receivables	(7,37.25)	5,81.82
Other financial assets	4,44.02	3,58.84
Provision for employee benefit schemes	75.06	(71.71)
Loans	(8660,33.76)	(5136,86.86)
Investments considered as credit facilities	(522,75.70)	-
Other non financial assets	(70,06.78)	32,59.84
Increase/(decrease) in derivatives not designated as hedges	(1,17.79)	-
	(9729,26.39)	(5569,19.61)
Current taxes paid (net)	(65,86.92)	(44,36.10)
Interest expenses and other finance costs paid	(1373,53.17)	(894,73.32)
Interest income received on loans, deposits and investments	2911,90.96	2232,56.84
Discounting charges/premium on Commercial paper & Zero coupon bonds paid	(682,02.23)	(533,85.63)
Net cash from/(used) in operating activities	(8938,77.75)	(4809,57.82)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property, plant & equipments (including CWIP)	(73,29.88)	(32,57.95)
Proceeds from sale of property, plant & equipments	41.16	34.78
Payments for intangible assets	(2,79.51)	(10,76.54)
Purchase of mutual fund units	(17481,10.00)	(8956,05.00)
Redemption of mutual fund units	17496,80.52	9060,01.13
Investment in Trust securities	(20.86)	(16.86)
Realisation on distribution from Trust securities	-	39.82
Investment in equity shares	-	(4,61.65)
Proceeds from sale of equity shares	-	16,21.16
Dividend income	3,55.09	4,05.80
Deposits/restricted deposits with banks	(435,59.95)	(121,65.84)
Realisation of deposits/restricted deposits with banks	103,54.47	49,33.63
Net cash from/(used) in investing activities	(388,68.96)	4,52.48
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share issue expenses	(4,58.20)	(89.60)
Proceeds from issue of equity share capital	300,00.00	300,00.00
Proceeds from issue of Compulsory convertible preference shares	696,00.00	300,00.00
Proceeds from Debt securities	26503,19.33	19702,99.04
Repayment of Debt securities	(26620,25.46)	(17137,61.64)
Proceeds from Subordinated liabilities	250,00.00	250,00.00
Proceeds from borrowings (other than debt securities)	29484,33.55	8611,78.83
Repayment of borrowings (other than debt securities)	(20662,29.69)	(7179,54.51)
Dividend paid	(107,19.17)	(68,05.80)
Net cash from/(used) in financing activities	9839,20.36	4778,66.32
Net increase / (decrease) in cash and cash equivalents (A + B + C)	511,73.65	(26,39.02)



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED) (CIN - U45200MH1989PLC050444)
Cash Flow Statement for the year ended March 31, 2019

(₹ in lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash and cash equivalents at the beginning of the year	189,05.98	215,45.00
Cash and cash equivalents at the end of the year	700,79.63	189,05.98
Net increase / (decrease) in cash and cash equivalents	511,73.65	(26,39.02)

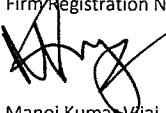
Changes in liabilities arising from financing activities:

(₹ in lakhs)	
Particulars	Borrowings
Balances as at April 01, 2017	15909,40.55
Cashflow changes - inflow/(outflow)	3762,71.40
Amortisation / EIR adjustments	580,95.06
Balances as at March 31, 2018	20253,07.01
Cashflow changes - inflow/(outflow)	8325,92.81
Amortisation / EIR adjustments	685,79.09
Balances as at March 31, 2019	29264,78.91

See accompanying notes forming part of the financial statements (1 to 43)


Note: Finance costs has been considered as arising from operating activities in view of the nature of the Company's business.

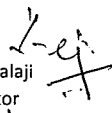
As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

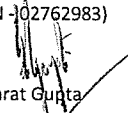

Manoj Kumar Wjai
Partner
Membership No. 046882

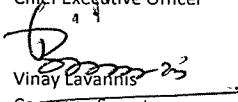
Place : Mumbai
Date: May 06, 2019

For and on behalf of the Board of Directors

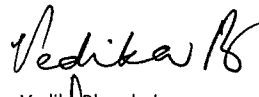

Nassef Munjee
Chairman
(DIN - 00010180)

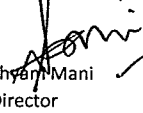

P.B. Balaji
Director
(DIN - 002762983)


Samrat Gupta
Chief Executive Officer


Vinay Lavaniya
Company Secretary

Place: Mumbai
Date: May 06, 2019

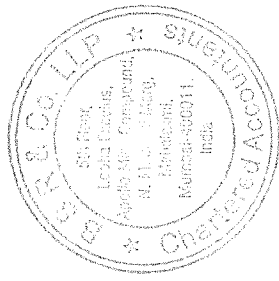

Vedika Bhandarkar
Director
(DIN - 00033808)


Shyam Mani
Director
(DIN - 00273598)


Anand Bang
Chief Financial Officer

Statement of changes in equity for the year ended March 31, 2019

		As at March 31, 2019				As at March 31, 2018				Other Reserves				Total other equity					
		Number	Rs.	Number	Rs.	Number	Rs.	Number	Rs.										
A. Equity share capital																			
Equity Shares																			
Shares outstanding at the beginning of the year		5,38,73,415.00	538,73.42	4,91,49,006.00	491,49.01														
Shares issued during the year		45,11,278.00	45,11.27	47,24,409.00	47,24.41														
Shares outstanding at the end of the year		5,83,84,693.00	583,84.69	5,38,73,415.00	538,73.42														
B. Other equity																			
Particulars		Equity component of compound financial instrument (Refer Note 24A)		Special reserve		Capital redemption reserve		Securities Premium Account		Capital Reserve		General reserve		Retained earnings		Other components of equity		Total other equity	
Balance as at April 1, 2018		206,83.85		134,12.51		0.02		2412,67.86		190,82.18		17,85.59		(1761,69.60)		11,74.64		1418,12.39	
a) Profit for the year																		203,87.66	
b) Other comprehensive income / (loss) for the year																		5,52.60	
c) Total comprehensive income / (loss) for the year																		209,40.26	
d) Dividend paid (including dividend distribution tax of Rs. 2351.98 lakhs)																		(3,77.10)	
e) Raised during the year																		(107,19.18)	
f) Premium on issue of CCPS		264,27.59						254,88.72										519,16.31	
g) Shares issue expenses								(4,58.20)										348,00.00	
h) Transfer to Special Reserve				40,77.53														(4,58.20)	
Balance as at March 31, 2019		471,11.44		174,90.04		0.02		3010,98.38		190,82.18		17,85.59		(1761,69.60)		17,02.31		2387,91.59	



Statement of changes in equity for the year ended March 31, 2019

Particulars	Equity component of compound financial instrument (Refer Note 24A)	Other Reserves						Other components of equity			Total other equity
		Special reserve	Capital redemption reserve	Securities Premium Account	Capital Reserve	General reserve	Retained earnings		Equity instruments through OCI	Cost of Hedging Reserve	
							Undistributable (Ind AS 101)	Distributable			
Balance as at April 01, 2017	124,24.03	68,60.88	0.02	2,187,37.53	14,26.52	17,85.59	(1,761,69.60)	60,37.05	6,41.78		717,43.80
a) Profit for the year								272,08.93			272,08.93
b) Other comprehensive income / (loss) for the year								6,86.79			12,19.65
c) Total comprehensive income / (loss) for the year								27,895.72			284,28.58
d) Dividend paid (including dividend distribution tax of Rs. 14,63.31)											
e) Premium on issue of equity shares											
f) Premium on issue of CCPS				252,75.59							(68,05.80)
g) Amortisation of premium on redemption of debentures under previous GAAP				150,00.00							252,75.59
h) Shares issue expenses				(176,55.66)	176,55.66						150,00.00
i) Issue of Equity portion of CCPS	82,59.82	65,51.63		(89.60)							(89.60)
j) Transfer to Special Reserve											82,59.82
Balance as at March 31, 2018	206,83.85	134,12.51	0.02	2,412,67.86	190,82.18	17,85.59	(1,761,69.60)	205,75.34	11,74.64		1,418,12.39

See accompanying notes forming part of the financial statements (1 to 43)

In terms of our report attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Manoj Kumar Vijai
Partner

Membership No. 046882

Place : Mumbai

Date: May 06, 2019

For and on behalf of the Board of Directors

Nasser Mufjee
Chairman
(DIN - 00010180)

Vedika Bhandarkar
Director
(DIN - 00033808)

P.B. Balaji
Director
(DIN - 02762983)

Shyfm Mani
Director
(DIN - 00273598)

Sarjita Gupta
Chief Executive Officer

Anand Bang
Chief Financial Officer

Vijay Lavankar
Company Secretary

Place: Mumbai

Date: May 06, 2019

Notes to financial statements for the year ended March 31, 2019

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, Act 1934 ("RBI") 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 wide network all over India. The financial statements were approved by the Board of Directors and authorised for issue on May 06, 2019.

2 Basis of preparation

2.1 Statement of compliance

In accordance with the notification issued by Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rule 2015 as amended, from April 01, 2018 and the effective date of such transition is April 01, 2017. Such transition has been carried out in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards from erstwhile Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and guidelines issued by Reserve Bank of India ('RBI') (collectively referred to as the 'Previous GAAP'). The Company has presented a reconciliation from the presentation of financial statements under Previous GAAP to Ind AS of Shareholders' equity as at March 31, 2018 and April 01, 2017 and of the total comprehensive income for the year ended March 31, 2018. Refer Note 4 for the details of first-time exemptions availed and an explanation for the impact of transition from previous GAAP to Ind AS on the Company's financial position, financial performance and cash flows.

These financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

2.2 Historical cost convention

The financial statements have been prepared on historical cost basis except for certain financial instruments 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 Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ministry of Corporate Affairs ("MCA") notification on October 11, 2018 of Ind AS compliant Schedule III to the Companies Act, 2013 dealing with format of presentation of financial statements for Non-Banking Financial Companies, the Company has complied with the requirements of presentation of the financial statements in accordance with the aforesaid Schedule III specific to Non-Banking Financial Company.

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.

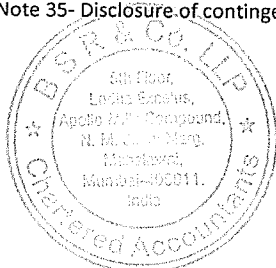
(i) Use of estimates and judgments

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

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

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

- a) Note 3 (xv)- and 40 Impairment of financial assets based on the expected credit loss model
- b) Note 3(vii) and 3(viii)- Useful lives of property, plant and equipment.
- c) Note 3(xi) and 36 Measurement of assets and obligations of defined benefit employee plans.
- d) Note 3(iv) and 12- Recognition of deferred tax assets.
- e) Note 3(xii)- Measurement and recognition of provisions and contingencies.
- f) Note 3(xvii) and 39- Fair value measurement of financial instruments.
- g) Note 35- Disclosure of contingent liabilities.



Notes to financial statements for the year ended March 31, 2019

(ii) Revenue recognition

Income on loans arising from financing activities

Interest income from loans arising out of the financing activity is recognised using the effective interest rate method (EIR).

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees/service charges and incentives paid and received that form an integral part of the effective interest rate, transaction costs (i.e. agent's commission/fees) and other premium or discounts) through the expected life of the loans arising out of the financing activities.

Interest income

Interest income on investments and term deposits are accrued and recognised in income statement using the effective interest method (EIR).

Dividend income

Dividend income is recognised in the income statement 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.

(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 income statement except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs.

(iv) Income Taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the statement of profit & loss except when they relate to items that are recognised outside the statement of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside the statement of profit and loss.

Current income taxes are determined based on respective taxable income of Company and tax rules applicable for respective tax jurisdictions.

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

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

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



Notes to financial statements for the year ended March 31, 2019

(vii) Property, Plant and equipment (PPE)

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

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

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

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

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

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

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

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

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

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

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

(viii) Other intangible assets

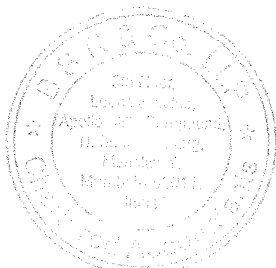
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and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

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

Intangible assets and their useful lives are as under

Type of asset	Estimated useful life
Software	5 years

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



Notes to financial statements for the year ended March 31, 2019

(ix) Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

(A) Assets taken on operating lease- Company as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Under operating leases, the leased assets are not recognized on the Company's balance sheet.

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(B) Assets given on operating lease- Company as a lessor

Assets given on operating lease are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on an accrual basis. Costs including depreciation are recognised as an expense in the Statement of Profit and Loss.

(x) Impairment of Non financial assets

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

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

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

(xi) Employee benefits

(A) Short term employee benefits

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

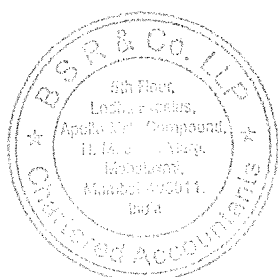
(B) Post Employment/retirement benefit Plans

(1) Defined contribution plans

For provident fund and superannuation fund, 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.

(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 fund managed by Tata Motors Limited (ultimate parent Company), except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office. The Company is liable for annual contribution and any shortfall to the extent of the Company's share in the fund managed by ultimate parent Company, based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.



Notes to financial statements for the year ended March 31, 2019

(b) Superannuation fund

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

(2) Defined benefit plans

(a) Gratuity

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

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

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

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

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

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

(C) Other long term employee benefit plans

(1) Defined benefit plans

(a) Compensated absences

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

(xii) Provisions and Contingent Liabilities

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

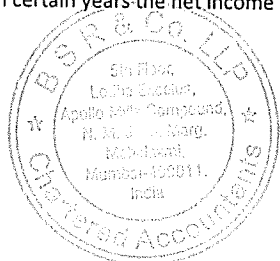
If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to the net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific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

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

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

(xiii) Dividend (including dividend distribution tax)

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.



Notes to financial statements for the year ended March 31, 2019

(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.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in the following categories :-

- a. at amortised cost, or
- b. at fair value through other comprehensive income (FVTOCI), 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

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

(a) At amortised cost:

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

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

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

(b) At FVTOCI:

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses and reversals in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.



Notes to financial statements for the year ended March 31, 2019

(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 model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVOCI, loans and advances receivables arising out of the financing activities and trade receivables.

Loss allowance in respect of trade receivables is measured at an amount equal to life time expected credit losses which is computed based on provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Loss allowance for loans arising out of the financing activity and debt investments measured at amortised cost or FVOCI is measured at an amount equal to twelve month expected losses if credit risk on such assets has not increased significantly since initial recognition. An allowance equal to life time expected losses is provided if credit risk has increased significantly from the date of initial recognition. If, in a subsequent period, credit quality of the instrument improves, such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity considers:

1. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases, when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
2. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/ expense in the Statement of Profit and Loss.

Financial assets measured at amortised cost which includes debt investments, loans receivables arising from financing activity and trade receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no reasonable expectation of further recovery. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.



Notes to financial statements for the year ended March 31, 2019

(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 finance cost in the profit or loss.

Derecognition of financial liabilities:

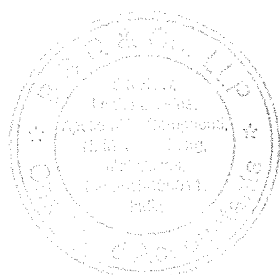
The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and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

(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.



Notes to financial statements for the year ended March 31, 2019

(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 15.

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

Embedded derivatives

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

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

(a) Hedge accounting

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

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

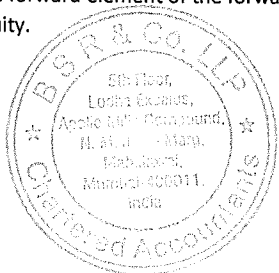
Cash flow hedges

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

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

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

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



Notes to financial statements for the year ended March 31, 2019

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

The Company measures financial instruments, such as investments and derivatives at fair values at each Balance Sheet date.

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

(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.

(xix) New Accounting Pronouncement

(A) New accounting standards not yet adopted

In March 2019, MCA issued Ind AS 116 - Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous standard on leasing, Ind AS 17 -Leases. Ind AS 116, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. Ind AS 116 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by Ind AS 116 and instead, introduces a single lessee accounting model whereby a lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the Statement of Profit and Loss. As Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently.

The Company will be adopting Ind AS 116 with a modified retrospective approach with effect from April 01, 2019. The cumulative effect of initially applying this Standard will be recorded as an adjustment to the opening balance of retained earnings. Figures for comparative periods will not be restated.

The Company will use the exemption option available for existing leases and apply the available exemptions regarding the recognition of short term leases and low value leasing assets. Basis assessment, the Company arrangements under operating leases, which are currently off Balance sheet, will be recorded as right to use assets and the future obligations in respect of such leases will be recorded as a liability in the Balance sheet as at April 01, 2019. The Company is evaluating impact of above amendments issued by MCA to existing accounting standards.

The Company will use following practical expedients of Ind AS 116 at the date of initial application:

- 1) With leases previously classified as operating leases according to Ind AS 117, the lease liability will be measured at the present value of the outstanding lease payments, discounted by the incremental borrowing rate at April 01, 2019. The respective right-of-use asset is generally recognised at an amount equal to the lease liability;
- 2) An impairment review is not performed for right of use assets. Instead, right-of-use asset is adjusted by the amount of any provision for onerous leases recognised in the Balance sheet.
- 3) Regardless of their original lease term, leases for which the lease term ends latest on March 31, 2020, are recognised as short-term leases;
- 4) At the date of initial application, the measurement of a right-to-use asset excludes the initial direct costs; and
- 5) Hindsight is considered when determining the lease term if the contract contains options to extend or terminate the leases.



Notes to financial statements for the year ended March 31, 2019

(B) Amendments issued by MCA to existing standards

MCA issued following amendments to certain standards which will be effective from financial year beginning April 01, 2019.

i) Amendments to Ind AS 109, Financial Instruments - Prepayment of loans:

The amendments notified in Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied. Similarly, the holder may classify them either measured at fair value through profit or loss or measured at amortised cost in accordance with conditions of Ind AS 109.

ii) Amendments to Ind AS 12, Income Taxes - Deferred taxes on Dividends:

An entity is required to create a corresponding liability for payment of Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be. Currently, the Company is recognizing dividend distribution tax on dividends paid to shareholders in the statement of changes in equity, As per the amendment, the Company will recognize dividend distribution tax on dividend distributed to shareholders as income tax expense in its statement of profit or loss.

iii) Amendments to Ind AS 12, Income Taxes – Uncertain tax treatment

Another amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not. For example, if an entity has not included a particular income in taxable profit, it will be considered as uncertain tax treatment if its acceptability by taxation authority is uncertain. The amendment has been brought by introducing a new Appendix C to Ind AS 12.

If there is uncertainty over tax treatment of an item:

1. An entity should determine an approach or method that predicts the resolution of the uncertainty. Based on the approach, the entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.
2. It shall assess whether it is probable that the taxation authority will accept the uncertain tax treatment, assuming that the authority has full right to examine the treatment and has full knowledge of all related information.
3. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related aforesaid items by using either the most likely outcome or the expected outcome of the uncertainty.

iv) Amendment to Ind AS 19, Employee Benefits - Changes in Employee benefit plan:

When a change to a plan by way of either an amendment, curtailment or settlement takes place, Ind AS 19 requires a Company to remeasure its net defined benefit liability or asset.

The amendments to Ind AS 19 require a Company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, Ind AS 19 did not specify how to determine these expenses for the period after the change to the plan.

v) Amendments to Ind AS 28, Investments in Associates and Joint Ventures

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. This amendment to Ind AS 28 clarifies that Ind AS 109 should be applied to financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

The Company is evaluating impact of above amendments issued by MCA to existing accounting standards.



Notes to financial statements for the year ended March 31, 2019

4 First time adoption- Transition to Ind AS

A. Exemptions and Exceptions availed

The Company has prepared the opening balance sheet as per Ind AS as at April 01, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required by Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

(A) Business combination

Business combination prior to April 01, 2016 have been accounted in accordance with Previous GAAP. Goodwill arising from business combination has been stated at the carrying amount under Previous GAAP.

(B) Derecognition of financial assets

The Company has chosen to apply derecognition criteria retrospectively. Accordingly all securitisation receivables have been re-recognised under Ind AS as at April 01, 2017.

(C) Designation of previously recognised financial instruments

The Company has opted to avail this exemption to designate certain equity investments as FVTOCI on the date of transition.

B. Reconciliations between Previous GAAP and Ind AS

a) Equity reconciliation

(Rs. In lakhs)

Particulars	Notes	As at March 31, 2018	As at April 01, 2017
Total equity as reported under the Previous GAAP		3728,58.67	3064,96.60
Provision for impairment allowance based on expected credit loss model (ECL)	(ii)	(471,19.48)	(636,89.81)
Recognition of income (net of expense) on securitisation and assignment transactions	(i)	40,80.28	40,44.31
Fair valuation of investments in equity shares through other comprehensive income	(iii)	11,74.64	6,41.78
Fair valuation of investments in equity shares and mutual funds through profit or loss	(iii)	61,29.41	61,59.52
Effective Interest Rate (EIR) adjustment for financial instruments	(iv)	(45,03.08)	(14,48.75)
Reversal of goodwill recognised in Previous GAAP on a common control transactions		(1212,34.87)	(1212,34.87)
Liability portion of compound financial instrument	(v)	(156,99.76)	(100,75.97)
Total equity as per Ind AS		1956,85.81	1208,92.81

b) Total Comprehensive Income reconciliation

(Rs. In lakhs)

Particulars	Notes	Year ended March 31, 2018
Net profit after tax as reported under previous GAAP		327,58.13
Provision for impairment allowance based on expected credit loss model (ECL)	(ii)	165,70.71
Recognition of income (net of expense) on securitisation and assignment transactions	(i)	35.97
Fair valuation of investments in equity shares and mutual funds through profit or loss	(iii)	(30.11)
Effective Interest Rate (EIR) adjustment for financial instruments	(iv), (v)	(307,83.04)
Remeasurements of the defined benefit plans		(6,86.79)
Tax effect on the above adjustments	(vi)	93,44.06
Net profit after tax as per Ind AS		272,08.93
Other comprehensive income (net of tax effect)	(vii)	12,19.65
Total Comprehensive income after tax as per Ind AS		284,28.58

c) Effect of Ind AS adoption on the Cash Flow Statement for the year ended March 31, 2018

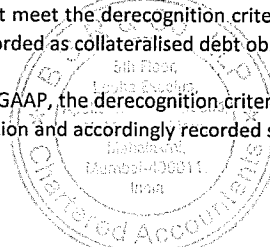
Under Ind AS, certain transfer of loans arising from financing activities by way of securitisation/direct assignments do not meet the criteria for derecognition. Consequently, proceeds received from these transactions are recorded as collateralized debt obligation. Under Indian GAAP, such transactions meet the criteria for derecognition and accordingly, recorded as sale. As a result, under Ind AS, the cash flows from operating activities and cash outflows from financing activities is higher by Rs. 293,47 lakhs.

d) Notes to reconciliations between Previous GAAP and Ind AS

(i) De-recognition of financial instruments

The Company transfers loans arising from financing activities in securitisation transactions/direct assignments. In such transactions the Company surrenders control over the receivables though continues to act as an agent for the collection of receivables. In most of these transactions, the Company also provides credit enhancement to the transferee. Because of the existence of credit enhancement in such transactions, under Ind AS, such transfer or assignment does not meet the derecognition criteria resulting into the transaction not being recorded as sale. Consequently, the proceeds received from the transfer are recorded as collateralised debt obligation.

Under the Previous GAAP, the derecognition criteria were different and were based on surrender of control. The Company met the criteria under Previous GAAP for derecognition and accordingly recorded such transfer as sale.



Note 5

Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	20,16.18	23,34.47	27,97.78
Balance with Banks	658,70.83	145,81.13	60,46.96
Cheques, drafts on hand	21,92.62	19,90.38	26,50.66
Bank deposit with maturity of less than 3 months	-	-	100,49.60
Total	700,79.63	189,05.98	215,45.00

Note 6

Bank balance other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deposits with banks	500,00.00	500,00.00	500,00.00
Margin money / cash collateral with banks	477,83.10	145,77.61	73,45.40
Total	977,83.10	645,77.61	573,45.40

Note 7

Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Receivables considered good - Unsecured	33,87.67	22,12.93	6,60.96
Total	33,87.67	22,12.93	6,60.96

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 8

Other receivables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Receivables considered good - Unsecured	8,90.80	1,53.56	7,35.37
Total	8,90.80	1,53.56	7,35.37

No other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

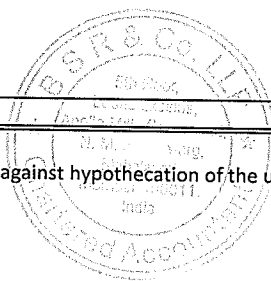
Note 9

Loans

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
From Financing Activities			
- Term loans	30776,80.45	22438,00.97	17714,11.03
Total (A) - Gross	30776,80.45	22438,00.97	17714,11.03
Less: Impairment loss allowance	(781,23.65)	(894,21.12)	(1232,25.05)
Total (A) - Net	29995,56.80	21543,79.85	16481,85.98
(B)			
Secured by tangible assets#			
Unsecured	30774,40.53	22438,00.97	17713,71.68
	2,39.92	-	39.35
Total (B) - Gross	30776,80.45	22438,00.97	17714,11.03
Less: Impairment loss allowance	(781,23.65)	(894,21.12)	(1232,25.05)
Total (B) - Net	29995,56.80	21543,79.85	16481,85.98
(C)			
Loans in India			
- Public Sector	-	-	-
- Others	30776,80.45	22438,00.97	17714,11.03
Total (C) - Gross	30776,80.45	22438,00.97	17714,11.03
Less: Impairment loss allowance	(781,23.65)	(894,21.12)	(1232,25.05)
Total (C) - Net	29995,56.80	21543,79.85	16481,85.98

Vehicle terms loans are fully secured against hypothecation of the underlying vehicle.



Face Value per unit (in Rs)	Description	Quantity (in nos.) as at March 31, 2019	As at March 31, 2019	Quantity (in nos.) as at March 31, 2018	As at March 31, 2018	Quantity (in nos.) as at April 01, 2017	As at April 01, 2017
	Investments measured at fair value through other comprehensive income						
	Investment in equity shares						
	(a) Quoted						
10	Tata Steel Limited	5,70,188	29,70.68	5,70,188	32,55.20	4,91,542	23,72.43
10	Tata Steel Limited (partly paid upto Rs. 2.5 per share)	39,323	25.25	39,323	55.56	-	-
10	Tata Chemicals Limited	10,060	59.23	10,060	68.08	10,060	60.24
1	Tata Power Limited	9,120	6.73	9,120	7.24	9,120	8.25
2	ICICI Bank Limited	-	-	-	-	1,57,300	4,35.87
	(Including 500 equity shares received as bonus during the period in the ratio of 1:10)						
10	NTPC Limited	1,30,000	2,10.13	1,30,000	2,20.60	1,95,752	3,24.86
1	NMDC Limited	20,000	20.89	20,000	23.73	2,58,369	3,43.89
10	Coal India Limited	11,904	28.24	11,904	33.75	91,904	2,69.09
5	Oil and Natural Gas Corporation Limited	-	-	-	-	21,675	40.11
1	Colgate-Palmolive (India) Limited	-	-	-	-	9,650	95.73
2	HDFC Bank Limited	-	-	-	-	4,000	57.69
1	State Bank of India	-	-	-	-	26,280	76.90
1	Aurobindo Pharma Limited	-	-	-	-	18,930	127.81
	(b) Unquoted - Group Companies						
10	Taj Air Limited	42,00,000	-	42,00,000	-	42,00,000	-
1,000	Tata International Limited	19,350	24,26.30	19,350	15,55.60	19,350	15,55.60
100	Tata Industries Limited	9,93,753	20,50.00	9,93,753	20,50.00	9,93,753	20,50.00
	Subtotal (a)		77,97.44		72,69.76		78,18.47
	Investments measured at fair value through profit and loss						
	Investment in equity shares						
	(a) Quoted						
10	Automobile Corporation of Goa Limited	48,315	2,70.54	48,315	5,38.93	48,315	3,05.83
	(b) Unquoted						
10	Tata Technologies Limited	8,11,992	73,40.41	8,11,992	69,99.37	8,11,992	69,99.37
10	Tata Hitachi Construction Machinery Company Private Limited	2,85,714	1,70.00	2,85,714	1,70.00	2,85,714	1,70.00
	Investment in trust securities (partly paid)						
10	SBI Macquarie Infrastructure Trust (Partly paid upto Rs 8.43 (at March 31, 2018: Rs 8.32 per unit, April 01, 2017 Rs 8.39 per unit)	1,50,00,000	19,48.45	1,50,00,000	18,34.50	1,50,00,000	16,47.00
	Investment in mutual funds (Unquoted)						
10	Tata Liquid Fund - Direct Plan - Growth	-	-	-	-	-	9,738.10
	Subtotal (b)		97,29.40		95,42.80		188,60.30
	Investments measured at Amortised cost						
	Investment in Preference shares						
	Fully Paid Non - Cumulative Redeemable Preference shares (Unquoted)						
100	6% Tata Precision Industries (India) Limited	40,000	40.00	40,000	40.00	40,000	40.00
	Fully Paid Cumulative Redeemable Preference shares (Unquoted)						
100	8.50% Tata Precision Industries (India) Limited	1,50,000	1,50.00	1,50,000	1,50.00	1,50,000	1,50.00
	Fully Paid Cumulative Redeemable Non Participating Preference shares (unquoted)						
1,000	12.50% Tata Capital Limited	6,665	99.98	6,665	99.98	6,665	99.98
	Investments in Debentures and Bonds						
	(a) Quoted						
	Fully Paid Secured, Non - Cumulative, Non - Convertible, Redeemable Debentures						
12.50	8.49% NTPC Limited (issued as bonus)	2,75,752	-	2,75,752	-	2,75,752	-
	(b) Unquoted						
	Fully Paid Secured Redeemable Non - Convertible Debentures						
100	10% Tata Precision Industries (India) Limited	3,50,000	3,50.00	3,50,000	3,50.00	3,50,000	3,50.00
	Fully Paid Secured Compulsorily Convertible Debentures						
1,00,00,000	10% RSB Transmissions (I) Limited	110	110,00.00	-	-	-	-
	Investment in trust securities (Unquoted)						
	Pass through certificates		298,31.52		-		-
	Total		414,71.50		6,39.98		6,39.98
	Less: Provision for diminution		1,14.55		-		-
	Subtotal (c)		413,56.95		6,39.98		6,39.98
	Total (a + b + c)		588,83.79		174,52.54		273,18.75

11 Note 11

Other financial assets

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deposits (Net of provision of Rs. 25.24 lakhs; March 31, 2018 Rs 31.57 lakhs, April 01, 2017 Rs 36.62 lakhs)	9,11.32	10,35.65	9,98.12
Interest accrued on deposits and investments	15,01.37	4,69.44	4,37.56
Receivable from mutual funds	-	-	1,36.20
Application money receivable towards securities	114,44.18	-	-
Others (Net of provision of Rs. 16.64 lakhs; March 31, 2018 Rs Nil; April 01, 2017 Rs Nil)	33.50	3,53.18	6,13.35
Total	138,90.37	18,58.27	21,85.23

12 Note 12

Income taxes

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

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	(18,99.46)
Total current tax expense	-	(18,99.46)
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	24,30.68	(179,91.81)
(Decrease) increase in deferred tax liabilities	(90,30.68)	135,42.46
Total deferred tax expense/(benefit)	(6,600.00)	(44,49.35)
Income Tax expense	(6,600.00)	(63,48.81)

b) Reconciliation of the income tax expenses and accounting profit

Reconciliation of the income tax expense and the accounting profit multiplied by India's tax rate:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit before taxes	137,87.66	208,60.12
Income tax expenses calculated at 34.944% (previous year - 34.608%)	48,17.96	72,19.27
Tax effect of the amount which are not taxable in calculating taxable income :		
- Effect of income that is exempt from taxation	(1,24.78)	1,11.10
- Effect of expenses not deductible for tax computation	6,65.30	43.20
- Impact of change in statutory tax rates	-	1,08.89
- Deferred tax assets not recognised because realization is not probable	70,66.68	83,07.22
- Previously unrecognised and unused tax losses now utilised	(124,25.16)	(221,38.50)
- Deferred tax asset now created on previously unrecognised and unused tax losses	(66,00.00)	-
Income tax expense/(credit) recognised for the year at effective tax rate	(6,600.00)	(6,348.81)

c) Deferred tax assets/liabilities (net)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

Particulars	(₹ in lakhs)			
	As at April 1, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2019
Deferred tax liabilities :				
- Property, plant & equipment & Intangible assets- Accumulated depreciation/Amortisation	108,66.46	(108,66.46)	-	-
- Fair Valuation of Equity Instruments measured at FVTOCI and FVTPL	-	57.92	-	57.92
- Sourcing commission claimed on incurrence basis	26,76.00	17,77.86	-	44,53.86
Total deferred tax liabilities	135,42.46	(90,30.68)	-	45,11.78
Deferred tax asset :				
- Unabsorbed and unused tax losses and unabsorbed depreciation	-	66,00.00	-	66,00.00
- Expenses deductible in future years:				
Provisions for impairment allowances on financial assets	137,10.05	(52,12.83)	-	84,97.22
Compensated absences and retirement benefits allowable on payment basis	3,68.04	95.88	-	4,63.92
- Others	39,13.72	(39,13.72)	-	-
Total deferred tax assets	179,91.83	(24,30.68)	-	155,61.14
Net deferred tax asset/(liabilities) excl MAT Credit	44,49.37	66,00.00	-	110,49.36
- Minimum alternate tax (MAT) entitlement	64,81.83	-	-	64,81.83
Deferred tax assets/(liabilities) (net)	109,31.20	6,600.00	-	175,31.19

Significant components of deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(₹ in lakhs)

Particulars	As at April 1, 2017	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive Income	As at March 31, 2018
Deferred tax liabilities :				
- Property, plant & equipment & Intangible assets- Accumulated depreciation/Amortisation	-	108,66.46	-	108,66.46
- Others	-	26,76.00	-	26,76.00
Total deferred tax liabilities	-	135,42.46	-	135,42.46
Deferred tax asset :				
- Expenses deductible in future years:				
Provisions for impairment allowances on financial assets	-	137,10.05	-	137,10.05
Compensated absences and retirement benefits allowable on payment basis	-	3,68.04	-	3,68.04
- Others	-	39,13.72	-	39,13.72
Total deferred tax assets	-	179,91.81	-	179,91.81
Net deferred tax asset/(liabilities) excl MAT Credit	-	44,49.35	-	44,49.35
- Minimum alternate tax (MAT) entitlement	-	64,81.83	-	64,81.83
Deferred tax assets/(liabilities) (net)	-	109,31.18	-	109,31.18

d) Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity

e) Tax losses

As at March 31, 2019, unrecognized deferred tax assets amount to Rs. 168,94.54 lakhs which can be carried forward indefinitely. These relate to depreciation carry forwards. The deferred tax asset has not been recognized on the basis that its recovery is not probable in the foreseeable future.



Notes forming part of financial statements for the year ended March 31, 2019

Note 13

Property, plant and equipment

Particulars	Gross Block						Accumulated Depreciation			Net Block
	Balance as at April 01, 2018	Acquired under scheme of arrangement	Additions	Deletions	Balance as at March 31, 2019	Balance as at April 01, 2018	Depreciation for the year	Deletions	Balance as at March 31, 2019	
	(₹ in lakhs)									
Buildings	814.54	-	-	-	8,14.54	3,55.66	11.56	-	3,67.22	4,47.32
Furniture and fixtures	11,91.88	-	1,78.83	1,67.98	12,02.73	4,57.08	2,14.79	1,48.28	5,23.59	6,79.14
Vehicles	4,13.55	-	2,42.97	1,50.11	5,06.41	1,30.10	1,36.44	1,31.86	1,34.68	3,71.73
Vehicles - given on lease	22,70.54	-	62,26.78	-	84,97.32	1,72.14	8,23.01	-	9,95.15	75,02.17
Plant and equipments - given on lease	3,15.06	-	-	3,15.06	-	3,15.06	-	3,15.06	-	-
Office equipments	6,90.73	-	2,23.97	2,38.46	6,76.24	1,68.78	2,01.20	2,22.85	1,47.13	5,29.11
Data processing machines	3,91.27	-	2,28.93	-	6,20.20	1,50.83	1,54.21	-	3,05.04	3,15.16
Total	60,87.57	-	71,01.48	8,71.61	123,17.44	17,49.65	15,41.21	8,18.05	24,72.81	98,44.63

Particulars	Gross Block						Accumulated Depreciation			Net Block
	Balance as at April 01, 2017	Acquired under scheme of arrangement	Additions	Deletions	Balance as at March 31, 2018	Balance as at April 01, 2017	Depreciation for the year	Deletions	Balance as at March 31, 2018	
	(₹ in lakhs)									
Buildings	8,14.54	-	-	-	8,14.54	3,44.09	11.56	-	3,55.66	4,58.88
Furniture and fixtures	11,32.59	-	77.18	17.88	11,91.88	89.88	3,80.66	13.46	4,57.08	7,34.80
Vehicles	2,65.60	-	1,98.37	50.42	4,13.55	24.13	1,25.66	19.68	1,30.10	2,83.45
Vehicles - given on lease	-	-	22,70.54	-	22,70.54	-	1,72.14	-	1,72.14	20,98.40
Plant and equipments - given on lease	3,15.06	-	-	-	3,15.06	3,15.06	-	-	3,15.06	-
Office equipments	4,17.49	-	4,08.73	1,35.49	6,90.73	37.94	1,90.05	59.21	1,68.78	5,21.96
Data processing machines	2,11.88	-	2,33.43	54.04	3,91.27	12.18	1,38.65	-	1,50.83	2,40.44
Total	31,57.17	-	31,88.25	2,57.83	60,87.57	8,23.28	10,18.72	92.35	17,49.65	43,37.93

Particulars	Gross Block						Accumulated Depreciation			Net Block
	Balance as at April 01, 2016	Acquired under scheme of arrangement	Additions	Deletions	Balance as at March 31, 2017	Balance as at April 01, 2016	Amortisation during the year	Deletions	Balance as at March 31, 2017	
	(₹ in lakhs)									
Buildings	7,53.06	61.48	-	-	8,14.54	3,06.25	37.84	-	3,44.09	4,70.45
Furniture and fixtures	-	11,25.25	7.34	-	11,32.59	-	89.88	-	89.88	10,42.71
Vehicles	-	2,11.55	57.89	3.84	2,65.60	-	24.42	0.29	24.13	2,41.47
Plant and equipments - given on lease	3,15.06	-	-	-	3,15.06	3,15.06	-	-	3,15.06	-
Office equipments	-	4,04.81	12.68	-	4,17.49	-	37.94	-	37.94	3,79.55
Data processing machines	-	1,93.44	18.44	-	2,11.88	-	12.18	-	12.18	1,99.70
Total	10,68.12	19,96.53	96.35	3.84	31,57.17	6,21.31	2,02.26	0.29	8,23.28	23,33.89

1. Building includes

(a) Rs. 1,000/- being value of investment in 20 shares of Rs. 50/- each in Nilgiri Upvan Co-operative Housing Society Limited, certificate in respect of which is yet to be recorded in name of the Company.

(b) Rs. 500/- (as at March 31, 2018: Rs. 500/-) being value of investment in 10 equity shares of Rs. 50/- each in the Pallonji Mansion Co-operative Housing Society Limited.



Note 14

Other non-financial assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital Advances	10,95.03	6,16.84	1,19.30
Deposits with statutory authorities (Net of provision Rs. 60.76 lakhs; March 31, 2018 Rs. 60.76 lakhs; April 01, 2017 Rs. Nil)	69.24	50.57	90.12
Deposits paid under protest	13,77.44	3,96.73	3,71.71
Prepaid expenses	23,65.89	31.54	2,87.30
Taxes recoverable, statutory deposits and dues from government (Net of provision of Rs 3,15.64 lakhs; March 31, 2018 Rs 4,27.48 lakhs; April 01, 2017 Rs Nil)	28,01.32	14,98.44	1,58.40
Stamp papers	4,65.61	4,32.49	2,46.00
Others (Net of provision of Rs 19,04.19 lakhs; March 31, 2018 Rs 19,81.74 lakhs; April 01, 2017 Rs 799.70 lakhs)	40,20.79	12,15.23	63,09.63
Total	121,95.32	42,41.84	75,82.46

Note 15

Derivative financial instruments as at March 31, 2019

(₹ in lakhs)

Particulars	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
Currency derivatives				
Forward Contracts	-	-	-	-
Currency Swaps	-	-	171,42.50	2,30.85
Subtotal	-	-	171,42.50	2,30.85
Interest rate derivatives				
Interest Rate Swaps	171,42.50	1,17.79	-	-
Subtotal	171,42.50	1,17.79	-	-
Total Derivative Financial Instruments	171,42.50	1,17.79	171,42.50	2,30.85
Derivative designated as hedge				
Cash flow hedging:	-	-	171,42.50	2,30.85
Currency swaps	-	-	-	-
Subtotal	-	-	171,42.50	2,30.85
Undesignated Derivatives				
Interest Rate Swaps	171,42.50	1,17.79	-	-
Total Derivative Financial Instruments	171,42.50	1,17.79	171,42.50	2,30.85

Comparitive numbers for March 31, 2018 and April 01, 2017 are Nil as there were no derivative instruments.

Note 16

Payables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables			
total outstanding dues of micro enterprises and small enterprises	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	236,58.74	134,84.26	182,36.45
Other Payables			
total outstanding dues of micro enterprises and small enterprises	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	42,71.78	46,50.20	42,35.63
Total	279,30.52	181,34.46	224,72.08

Note: Information in respect of micro enterprises and small enterprises to whom the Company owes dues, which are outstanding as at the balance sheet date and disclosed above as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.



Note 17

Debt securities (at amortised cost)

	As at March 31, 2019	As at March 31, 2018	(₹ in lakhs) As at April 01, 2017
i. Privately placed non-convertible debentures (secured)#	3721,81.29	3831,09.30	4198,41.68
ii Commercial Paper (unsecured) (net of unamortised discounting charges and borrowing cost of Rs. 83,36.17 Lakhs; March 31, 2018 Rs. 56,57.95 lakhs; April 01, 2017 Rs 49,06.12 lakhs)	5606,63.83	5628,42.05	2655,93.88
Total (A)	9328,45.12	9459,51.35	6854,35.56
i. Debt securities in India	9328,45.12	9459,51.35	6854,35.56
ii. Debt securities outside India	-	-	-
Total (B)	9328,45.12	9459,51.35	6854,35.56

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:

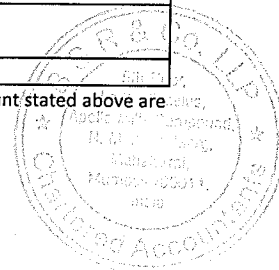
- i) One of the Company's residential flat (Refer note 4) and
- ii) a) All receivables of the Company arising out of loan and lease transactions
b) All other book debts, trade advances forming part of movable assets of the Company
c) Any other security as identified by the Company and acceptable to the debenture trustee

Terms of repayment of bonds / debentures outstanding as at March 31, 2019 of Rs. 10 lakhs each

Particulars	(₹ in lakhs)	Redemption Date
9.25% Non Convertible Debentures "K" FY 2018-19	26,00.00	28-Dec-21
9.85% TMFL Zero Coupon Debentures "F" FY 2018-19*	47,01.98	27-Dec-21
9.85% Non Convertible Debentures "I" FY 2018-19	75,00.00	04-Dec-21
9.10% TMFL Zero Coupon Debentures "D" FY 2018-19*	32,32.58	23-Aug-21
9.00% Non Convertible Debentures "W" FY 2016-17	1,00.00	28-Jul-21
9.15% TMFL Zero Coupon Debentures "B" FY 2018-19*	91,09.23	26-Jul-21
9.30% Non Convertible Debentures "S" FY 2016-17	22,00.00	28-Jun-21
9.20% Non Convertible Debentures "K" FY 2016-17	42,00.00	10-Jun-21
9.20% TMFL Zero Coupon Debentures "M" FY 2016-17*	7,76.58	10-Jun-21
9.15% TMFL Zero Coupon Debentures "A" FY 2018-19*	90,72.15	07-Jun-21
9.20% Non Convertible Debentures "G" FY 2016-17	10,00.00	13-May-21
9.20% Non Convertible Debentures "C" FY 2016-17	20,00.00	06-Apr-21
9.25% Non Convertible Debentures "M" FY 2015-16	40,00.00	17-Dec-20
7.78% TMFL Zero Coupon Debentures "E" FY 2017-18*	189,08.10	25-Aug-20
8.32% TMFL Zero Coupon Debentures "D" FY 2017-18*	460,45.33	10-Jul-20
8.40% TMFL Zero Coupon Debentures "C" FY 2017-18*	318,51.03	02-Jun-20
9.5872% Non Convertible Debentures "J" FY 2018-19	100,00.00	29-May-20
8.40% TMFL Zero Coupon Debentures "B" FY 2017-18*	369,22.71	27-May-20
9.0291% Non Convertible Debentures "C" FY 2018-19	615,00.00	30-Jan-20
8.7951% Non Convertible Debentures "E" FY 2018-19	100,00.00	26-Dec-19
9.6556% Non Convertible Debentures "H" FY 2018-19	450,00.00	26-Dec-19
9.10% Non Convertible Debentures "J" FY 2015-16	10,00.00	19-Nov-19
Non Convertible Debentures "G" FY 2018-19**	150,00.00	18-Nov-19
9.85% Non Convertible Debentures-"D" FY 2014-15	100,00.00	17-Oct-19
9.85% Non Convertible Debentures-"A" FY 2014-15	55,00.00	10-Oct-19
9.00% TMFL Zero Coupon Debentures "V" FY 2016-17*	64,67.50	23-Jul-19
9.30% Non Convertible Debentures "T" FY 2016-17	69,00.00	28-Jun-19
9.20% Non Convertible Debentures "L" FY 2016-17	20,00.00	10-Jun-19
9.20% Non Convertible Debentures "J" FY 2016-17	20,00.00	31-May-19
9.10% TMFL Zero Coupon Debentures "H" FY 2015-16*	6,76.02	06-May-19
7.99% TMFL Zero Coupon Debentures "A" FY 2017-18*	145,77.31	24-Apr-19
TMFL Zero Coupon Debentures "L" FY 2015-16*	46,93.99	11-Apr-19
9.20% Non Convertible Debentures "B" FY 2016-17	73,00.00	08-Apr-19
9.20% TMFL Zero Coupon Debentures "A" FY 2016-17*	32,52.29	03-Apr-19
	3900,86.81	
Less: Unamortised borrowing cost including premium on redemption	179,05.52	
Total	3721,81.29	

* 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.

** These NCDs carry a floating coupon rate based on 3 month T-Bill rate plus 240 basis points.



Note 18

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

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Term loans			
i. from banks in INR (secured) (refer note (i) below)	9435,12.03	3888,18.70	2799,28.21
ii. from banks in INR (unsecured)	1224,88.60	1499,93.67	2299,95.49
(b) Inter Corporate Deposits (unsecured) (Due to related party Rs Nil Lakhs; March 31, 2018 Rs. 50,00.00 lakhs, April 01, 2017 - Rs Nil)	50,00.00	80,00.00	-
(c) Loans repayable on demand from banks (secured) (refer note (ii) below)	2645,00.00	595,00.00	-
(d) Cash Credit from banks (secured) (refer note (ii) below)	1304,71.95	1501,03.40	1326,18.57
(e) Collateralised Debt Obligation (secured) (refer note (iii) below)	3047,33.38	1320,58.31	1027,11.68
(e) Liability component of compound financial instruments	226,73.00	156,99.76	100,75.97
Total (A)	17933,78.96	9041,73.84	7553,29.92
i. Borrowings in India	17933,78.96	9041,73.84	7553,29.92
ii. Borrowings outside India	-	-	-
Total (B)	17933,78.96	9041,73.84	7553,29.92

Note (i)

Term loans from banks includes borrowings in foreign currency of USD 25,000,000, equivalent to Rs.172,88.75 lakhs as on March 31, 2019 (March 31, 2018 USD Nil, equivalent to Rs Nil; 01 April, 2017 USD Nil, equivalent to Rs. Nil)

Terms of repayment for Term Loans

The term loans from banks are repayable at periodic intervals on a quarterly / half-yearly/ annual basis/ bullet payment. The interest rate on term loans from banks are in the range of 6.85% to 10.05% per annum. Tenure of such loans ranges from 2 years to 5 years. Loans are borrowed at fixed rate or a floating rate of interest linked to MCLR / LIBOR/ OIS etc plus spread with monthly/ quarterly/ half-yearly / yearly reset options. On the reset date, the Company has an option to repay the loans.

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:

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

Note (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:

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

Note (iii)

Collateralised debt obligation represent amount received against finance receivables securitised, which does not qualify for derecognition.

Note 19

Subordinated Liabilities (at amortised cost)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Perpetual Debt Instruments to the extent that do not qualify as equity (unsecured)	373,37.36	373,01.26	372,72.18
(b) Privately placed subordinated unsecured redeemable, non-convertible debentures	1629,17.56	1378,80.54	1129,02.90
Total (A)	2002,54.92	1751,81.80	1501,75.08
i. Debt securities in India	2002,54.92	1751,81.80	1501,75.08
ii. Debt securities outside India	-	-	-
Total (B)	2002,54.92	1751,81.80	1501,75.08



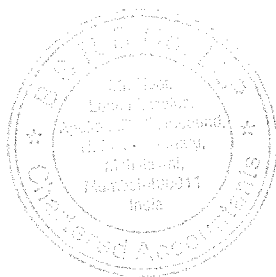
Terms of Privately placed Subordinated Non Convertible Unsecured Redeemable Debentures

Particulars	(Rs. in lakhs)	Redemption Date
Face value of Rs. 10 Lakhs each (Redeemable at par)		
10.00% TMFL – Tier II Debentures – "B" FY 2018-19	150,00.00	29-Mar-29
10.00% TMFL – Tier II Debentures – "A" FY 2018-19	100,00.00	31-Aug-28
9.00% TMFL – Tier II Debentures – "B" FY 2017-18	200,00.00	28-Mar-28
8.35% TMFL – Tier II Debentures – "A" FY 2017-18	50,00.00	13-Nov-27
9.70% TMFL – Tier II Debentures – "C" FY 2014-15	150,00.00	19-Dec-24
10.35% TMFL – Tier II Debentures – "B" FY 2014-15	60,00.00	26-Sep-24
10.60% TMFL – Tier II Debentures – "A" FY 2014-15	25,00.00	12-Sep-24
10.15% TMFL – Tier II Debentures – "A" FY 2013-14	55,10.00	28-May-23
9.85% TMFL – Tier II Debentures – "B" FY 2013-14	100,00.00	24-May-23
10.46% TMFL – Tier II Debentures – "C" FY 2012-13	28,00.00	28-Dec-22
Face value of Rs. 5 Lakhs each (Redeemable at par)		
10.65% TMFL – Tier II Debentures – "B" FY 2012-13	25,00.00	3-Aug-22
11.00% TMFL – Tier II Debentures – "A" FY 2012-13	37,40.00	22-May-22
11.00% TMFL – Tier II Debentures – "C" FY 2011-12	10,00.00	26-Mar-22
11.00% TMFL – Tier II Debentures – "B" FY 2011-12	69,15.00	2-Mar-22
11.00% TMFL – Tier II Debentures – "A" FY 2011-12	75,30.00	17-Sep-21
10.70% TMFL – Tier II Debentures – "D" FY 2009-10	111,00.00	28-Apr-20
10.70% TMFL – Tier II Debentures – "C" FY 2009-10	100,00.00	10-Apr-20
10.75% TMFL – Tier II Debentures – "B" FY 2009-10	88,95.00	25-Mar-20
10.90% TMFL – Tier II Debentures – "A" FY 2009-10	200,00.00	20-Jan-20
	1634,90.00	
Less : Unamortised Borrowing Cost	5,72.44	
	1629,17.56	

Terms of Privately placed Subordinated Unsecured Non Convertible Perpetual Debentures

Particulars	(Rs. in Lakhs)	Face Value (Rs.)
11.35% TMFL Perpetual "A" FY 2010-11	150,00.00	5 Lakhs
11.50% TMFL Perpetual "A" FY 2012-13	26,90.00	5 Lakhs
11.25% TMFL Perpetual "B" FY 2012-13	73,10.00	5 Lakhs
11.03% TMFL Perpetual "A" FY 2013-14	52,70.00	10 Lakhs
11.33% TMFL Perpetual "B" FY 2013-14	22,30.00	10 Lakhs
11.10% TMFL Perpetual "A" FY 2014-15	50,30.00	10 Lakhs
	375,30.00	
Less : Unamortised Borrowing Cost	1,92.64	
	373,37.36	

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 20
Other financial liabilities

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued on borrowings	169,38.54	155,92.11	196,61.06
Payable for assigned receivables	37,41.49	67,65.63	-
Deposits (not covered in Section 2(31) of Companies Act, 2013)	44.92	2,70.68	2,37.95
Others	13,51.45	3,13.37	10,03.80
Total	220,76.40	229,41.79	209,02.81

Note 21
Provisions

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits	8,97.92	8,22.86	8,94.57
Provision for indirect taxes	111,99.99	111,99.99	111,93.32
Provision for consumer disputes	3,23.46	56.45	75.42
Total	124,21.37	120,79.30	121,63.31

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

(a) Provision for Indirect taxes

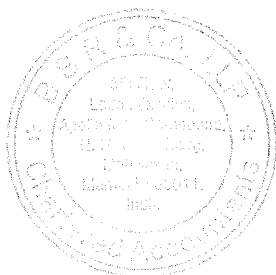
Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	111,99.99	111,93.32
Add : Provision during the year	-	6.67
Less : Utilisation/Reversal during the year	-	-
Closing Balance	111,99.99	111,99.99

(b) Provision for consumer disputes

Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	56.45	75.42
Add : Provision during the year	3,04.85	16.75
Less : Utilisation/Reversal during the year	37.84	35.72
Closing Balance	3,23.46	56.45

Note 22
Other non-financial liabilities

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Dues	29,54.83	28,90.54	8,33.92
Others	29,00.71	30,42.32	4,50.71
Total	58,55.54	59,32.86	12,84.63



Notes forming part of financial statements for the year ended March 31, 2019

Note 24A

Equity Component of Compound Financial Instrument

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs.	Number	Rs.	Number	Rs.
Authorised						
Preference shares of Rs.100 each	8,00,00,000	800,00.00	5,00,00,000	500,00.00	5,00,00,000	500,00.00
		800,00.00		500,00.00		500,00.00
Issued, Subscribed and Fully Paid up						
Equity portion of cumulative, non-participating Compulsorily convertible preference share (CCPS) of Rs. 100 each	5,38,00,000	286,11.44	3,75,00,000	206,83.85	3,75,00,000	124,24.03
Equity portion of non-cumulative, non-participating Compulsorily convertible preference share (CCPS) of Rs. 100 each	1,85,00,000	185,00.00	-	-	-	-
Total	723000,00.00	471,11.44	375000,00.00	206,83.85	375000,00.00	124,24.03

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

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs.	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	3,75,00,000	206,83.85	2,25,00,000	124,24.03	-	-
Shares Issued during the year	3,48,00,000	264,27.59	1,50,00,000	82,59.82	2,25,00,000	124,24.03
Shares outstanding at the end of the year	7,23,00,000	471,11.44	3,75,00,000	206,83.85	2,25,00,000	124,24.03

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)	33,50,000	46.33	15,00,000	40.00	2,25,00,000	100.00

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

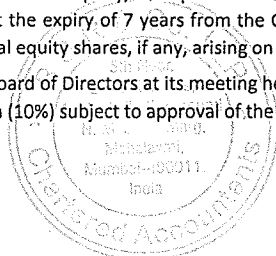
Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)	33,50,000	46.33	15,00,000	40.00	22,50,000	100.00
Aditya Birla Finance Limited	10,00,000	13.83	10,00,000	26.67	-	-
Kotak Mahindra Prime Limited	5,00,000	6.92	-	-	-	-

d) Terms / rights attached to preference shares:

1) During the year, the Company has issued 1,63,00,000 privately placed, cumulative, non-participating compulsorily convertible preference shares (CCPS) on June 12, 2018 bearing a face value of Rs. 100 each at a price of Rs. 200 per share aggregating to Rs. 326,00.00 lakhs. The holders of the CCPS are entitled for dividend @ 10.00% on a yearly basis, in preference to the equity shareholders of the Company, subject to applicable law, availability of profits of the Company, after provision for depreciation. The CCPS shall fully and mandatorily be converted into equity shares of the Company on the date falling at the expiry of 7 years from the CCPS allotment date. 3.17 Preference shares will be converted into 1 equity shares of face value of Rs. 100 each. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.

2) During the year, the Company has issued 1,85,00,000 privately placed, non-cumulative, non-participating compulsorily convertible preference shares (CCPS) on September 19, 2018 bearing a face value of Rs. 100 each at a price of Rs. 200 per share aggregating to Rs. 370,00.00 lakhs. The holders of the CCPS are entitled for dividend @ 10.00% on a yearly basis, in preference to the equity shareholders of the Company, subject to applicable law, availability of profits of the Company, after provision for depreciation. The CCPS shall fully and mandatorily be converted into equity shares of the Company on the date falling at the expiry of 7 years from the CCPS allotment date. 3.17 Preference shares will be converted into 1 equity shares of face value of Rs. 100 each. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.

e) The Board of Directors at its meeting held on May 06, 2019 recommended a dividend of Rs. 8.2 per CCPS of Rs 100 each (8.2%) and Rs. 10 per CCPS of Rs. 100 each (10%) subject to approval of the members of the Company at the forthcoming annual general meeting.



Notes to reserves

a) Special reserve

As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent 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 shall be made by the non-banking financial 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.

b) 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.

d) Securities Premium Account

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

c) 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.

e) 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.

f) Retained earnings

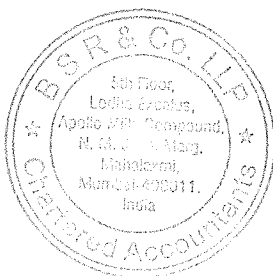
Retained earnings are the profits that the Company has earned till date.

g) Equity Instrument through OCI

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

h) Hedging Reserve through OCI

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



Note 25
Interest Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
On Financial Assets measured at Amortised Cost		
Interest on Loans	2931,87.59	2210,25.17
Interest income from investments	8,51.29	40.57
Interest on deposits with Banks	58,14.78	39,60.34
Other interest Income	51.25	-
Total	2999,04.91	2250,26.08

Note 26
Net gain on fair value changes

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss	17,36.26	11,79.48
Total	17,36.26	11,79.48
Fair Value changes:		
- Realised	15,70.52	8,96.05
- Unrealised	1,65.74	2,83.43
Total	17,36.26	11,79.48

Note 27
Other Income

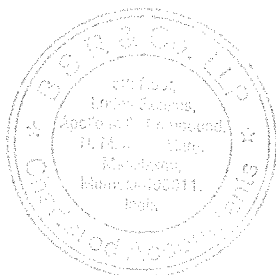
(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Support services income	96,66.56	86,10.01
Balances written back	12,66.86	11,54.90
Net gain/(loss) on derecognition of property, plant and equipment	(12.40)	(1,30.70)
Miscellaneous Income	3,37.59	3,14.84
Total	112,58.61	99,49.05

Note 28
Finance Costs (on financial liabilities measured at amortised cost)

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Borrowings	1024,30.71	510,66.15
Interest on Debt Securities	820,10.45	737,70.13
Interest on Subordinated Liabilities	190,86.35	164,85.01
Other Finance Charges	5,29.93	3,33.18
Total	2040,57.44	1416,54.47



Note 29

Impairment on financial instruments and other assets

(₹ in lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Loans (at amortised cost)				
-Allowance for loan losses	(112,97.46)		(338,03.93)	
Less: Delinquency support	9,64.21	(103,33.25)	(4,60.74)	(342,64.67)
-Finance receivables written off (net of recoveries of Rs.95,64.99 lakhs for the year ended March 31, 2019; Rs. 144,97.22 lakhs for year ended March 31, 2018)	398,60.93		467,45.56	
Less: Delinquency support	(9,88.84)	388,72.09	(32,50.54)	434,95.02
Investments (at amortised cost)				
-Allowance for Investments		1,14.55		-
Other assets				
-Provision for doubtful loans and advances (others)		(66.49)		12,65.12
Total		285,86.90		104,95.47

Note 30

Employee Benefit Expenses

(₹ in lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Salaries	255,69.88	225,54.70
Contribution to provident and other funds	14,47.48	14,70.01
Staff welfare expenses	14,53.23	15,62.52
Total	284,70.59	255,87.23

Note 31

Other expenses

(₹ in lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Rent, taxes and energy costs	32,84.55	33,46.56
Repairs and maintenance	4,65.99	3,69.09
Corporate Social Responsibility Expense (refer note (ii))	2,12.28	1,89.21
Communication Costs	7,71.69	8,19.18
Printing and stationery	2,94.68	2,80.12
Advertisement and publicity	3,58.00	5,24.92
Director's fees, allowances and expenses	1,19.40	41.60
Auditor's fees and expenses (refer note (i))	1,02.37	1,10.64
Legal and Professional charges	64,95.83	63,39.09
Credit risk & other insurance	9,13.39	,90.84
Incentive/commission	84,86.57	69,74.30
Service Provider Fees	144,58.18	134,26.13
Cenvat credit reversals	43,74.27	34,64.35
Others	79,30.70	85,90.31
Total	482,67.90	445,66.34

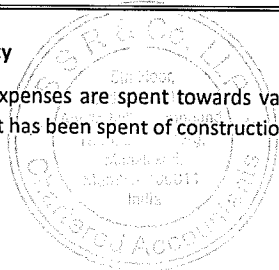
(i) Auditors' remuneration (excluding taxes):

(₹ in lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
As auditors - statutory audit	81.99	89.74
Tax audit	7.27	0.75
For other services	4.22	12.00
Reimbursement of out of pocket expenses	8.89	8.15
Total	102.37	110.64

(ii) Corporate social responsibility

Corporate social responsibility expenses are spent towards various schemes of Corporate social responsibility (CSR) as prescribed under section 135 of the Companies Act, 2013. No amount has been spent of construction of/acquisition of an asset of the Company.



Notes forming part of financial statements for the year ended March 31, 2019

Note 35

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, 2019	As at March 31, 2018	As at April 01, 2017
In respect of value added tax and entry tax matters	1,12.70	1,09.54	1,21.73
In respect of service tax matters	60,99.05	60,09.79	5,23.33
In respect of consumer disputes	28,45.53	4,55.77	7,13.61
In respect of bonus under the Payment of Bonus (Amendment) Act, 2015	26.15	26.15	26.15
Total	90,83.43	66,01.25	13,84.82

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

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

2 Commitments:

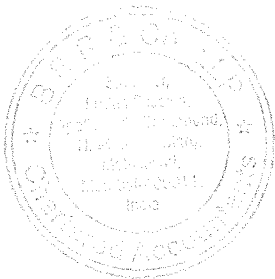
Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.6,18.37 lakhs (as at March 31, 2018: Rs.2,94.67 lakhs and April 01, 2017: Rs.2,53.84 lakhs)

Other commitments

a) Loan commitment towards vehicle financing Rs.44.54 lakhs (as at March 31, 2018: Rs.2,67.43 lakhs and April 01, 2017: Rs.63.09 lakhs)

b) Commitment for Investment Rs.2,06.73 lakhs (as at March 31, 2018: Rs.2,27.59 lakhs and April 01, 2017: Rs.63.17 lakhs)



Employee benefit obligations**a) Defined contribution plans**

The Company makes contribution towards provident fund and towards superannuation fund a defined contribution retirement plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Motors Limited and the Superannuation Fund is administered by the Trustees of the Tata Motors Limited Superannuation Fund. The Company is liable to pay to the provident fund and superannuation fund to the extent of the amount contributed and any shortfall in the fund assets based on government specified minimum rates of return relating to current services. The Company recognise such contribution and shortfall if any as an expense in the year incurred.

On account of the above contribution plans, a sum of Rs. 920.61 lakhs (previous year Rs. 851.59 lakhs) has been recognised in the Statement of Profit and Loss.

b) Defined benefit plans

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 lumpsum 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	As at March 31	
	2019	2018
Defined benefit obligation, beginning of the year	36,92.41	40,11.97
Current service cost	4,73.71	5,59.76
Interest cost	2,71.35	2,94.79
Remeasurement (gains) / losses		
Actuarial (gain) / losses arising from change in financial assumptions	(1,54.88)	(2,73.66)
Actuarial (gain) / losses arising from change in demographic assumptions	(1,22.40)	(3,44.92)
Actuarial (gain) / losses arising from change in experience adjustments	36.50	(86.07)
Transfer between Subsidiaries	48.34	(3,06.53)
Benefits paid from plan assets	(3,36.79)	(1,62.93)
Defined benefit obligation, end of the year	39,08.24	36,92.41

b) Changes in plan assets	As at March 31	
	2019	2018
Fair value of plan assets, beginning of the year	38,26.02	40,18.09
Interest cost	2,81.64	2,95.25
Remeasurement (gains) / losses		
Return on plan assets, (excluding amount included in net Interest expense)	1,61.25	(17.86)
Transfer in/(out) of assets	48.34	(3,06.53)
Benefits paid	(3,36.79)	(1,62.93)
Fair value of plan assets, end of the year	39,80.46	38,26.02

c) Amount recognised in balance sheet consists of:	As at March 31	
	2019	2018
Present value of defined benefit obligation	(39,08.24)	(36,92.41)
Fair value of plan assets	39,80.46	38,26.02
Net Assets/ (Liability)	72.22	133.61

d) Amount recognised in the Statement of Profit and Loss:	As at March 31	
	2019	2018
Current Service Cost	4,73.71	559.76
Interest on Defined Benefit Obligations (Net)	(10.29)	(0.46)
Net Charge to the Statement of Profit and Loss	463.42	559.30

e) Amount recognised in Other Comprehensive Income(OCI) for the year:	As at March 31	
	2019	2018
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/Income	1,61.25	(17.86)
Actuarial gains/(losses) arising from changes in demographic assumptions	1,22.40	344.92
Actuarial gains/(losses) arising from changes in financial assumptions	1,54.88	273.66
Actuarial gains/(losses) arising from changes in experience adjustments on plan liabilities	(36.50)	86.07
Net impact on the other comprehensive income before tax	4,02.03	686.79



Notes forming part of financial statements for the year ended March 31, 2019

(₹ in lakhs)

f) The fair value of Company's Gratuity plan asset by category	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Asset Category			
- Government securities (quoted)	-	-	-
- Debt instruments (quoted)	-	-	-
- Debt instruments (unquoted)	-	-	-
- Equity shares (quoted)	-	-	-
- Insurer Managed Funds (unquoted)	100%	100%	100%

g) The assumptions used in accounting for the gratuity plans are set out below:	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount rate	7.70%	7.70%	7.50%
Expected return on plan assets	7.70%	7.70%	7.50%
Salary Escalation rate	8.00%	8.50%	9.00%
Mortality Tables	Indian Assured Lives mortality (2006-08) Ult		

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

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

(₹ in lakhs)

h) The maturity profile of defined benefit obligation are set out below:	As at March 31, 2019	As at March 31, 2018
Within next 12 months (next annual reporting period)	3,11.62	1,64.77
Between 1 and 5 years	17,73.68	8,18.62
Between 5 and 9 years	32,08.87	27,69.69
10 years and above	-	-

(₹ in lakhs)

i) Quantitative sensitivity analysis for significant assumptions:	As at March 31, 2019	As at March 31, 2018
100 bps increase in discount rate	(2,83.43)	(3,47.60)
100 bps decrease in discount rate	3,22.23	4,04.22
100 bps increase in salary escalation rate	3,18.58	3,97.38
100 bps decrease in salary escalation rate	(2,85.53)	(3,48.45)

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

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

j) Weighted Average Duration of Defined Benefit obligation:	As at March 31, 2019	As at March 31, 2018
The weighted average duration of the defined benefit obligation	8 years	10.26 years

(₹ in lakhs)

k) The best estimate of the expected Contribution for the next year:	As at March 31, 2019
The Company expected contribution to the funded gratuity plans in FY 2019-20	3,11.62

I) 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 (formerly known as SHEBA PROPERTIES LIMITED) (CIN - U45200MH1989PLC050444)

Notes forming part of financial statements for the year ended March 31, 2019

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)

Additional disclosures of current and comparative years given below are based on Ind AS. Disclosures as per RBI regulations wherever the same differs from Ind AS have been disclosed separately.

Note 37A

Asset Liability Maturity Pattern of certain items of assets and liabilities

S. No.	Particulars	Period	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & 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, 2019	56,28.65	40,25.71	24,77.18	91,35.77	727,64.79	37,51.00	-	-	977,83.10
		March 31, 2018	-	541,71.15	-	-	81,72.46	22,34.00	-	-	-
2	Advances	March 31, 2019	825,43.03	833,83.86	825,57.36	2472,25.73	5037,40.11	14742,21.83	4666,05.74	592,79.35	29995,57.00
		March 31, 2018	575,06.34	617,93.23	615,20.80	1846,80.90	3880,56.31	10702,63.15	2801,13.44	504,45.67	21543,79.85
3	Investments	March 31, 2019	75.70	-	296,41.27	-	-	113,50.00	58.50	177,58.33	588,83.79
		March 31, 2018	-	-	-	-	-	3,50.00	-	171,02.57	174,52.57
4	Borrowings from banks / financial institutions (Term-loans / Cash credit)	March 31, 2019	278,98.41	148,61.32	1719,47.75	1464,54.17	5719,54.62	6548,76.38	3730,47.71	38,50.00	19648,90.36
		March 31, 2018	1116,78.57	-	-	235,00.00	2454,06.97	3159,10.71	1670,00.00	-	-
5	Market borrowings (Privately placed non convertible debentures and gross commercial papers)	March 31, 2019	1498,23.59	1826,76.02	862,10.36	84,67.50	1768,95.00	2523,55.21	497,96.99	825,55.14	9887,79.81
		March 31, 2018	849,46.35	2751,38.45	1358,55.69	664,28.34	1691,85.07	3285,54.32	515,71.96	803,96.55	11920,76.74

Notes:

- 1 Borrowings includes Commercial Papers which are issued at discount, which are considered gross of unamortised discounting charges.
- 2 Borrowings includes premium payable on redemption on Zero Coupon Debentures
- 3 Deposit is in the form of Fixed Deposits with Banks
- 4 Borrowings does not include Inter Corporate Deposits
- 5 Cash Credit and WCCL are shown in 6 months to 1 Year time bucket as per RBI guidelines
- 6 Market Borrowings included Liability component of compound financial instruments and Collateralised Debt Obligation (secured)

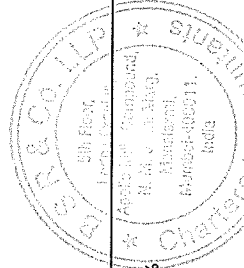
Note 37B

Capital to Risk Assets Ratio (CRAR)

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

S.No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	CRAR (%)	15.25%	16.50%
2	CRAR - Tier I capital (%)	10.93%	10.16%
3	CRAR - Tier II capital (%)	4.32%	6.34%
4	Amount of subordinated debt raised as Tier-II capital	250,00.00	250,00.00
5	Amount raised by issue of Perpetual Debt Instruments	-	-

CRAR as reported to RBI for comparative year is as below :-
March 31, 2018 : Tier I - 11.81%, Tier II - 4.75%, Total CRAR - 16.56%



Notes forming part of financial statements for the year ended March 31, 2019

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

Note 37C

Perpetual debt Instruments

(₹ in lakhs)

Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Funds raised through perpetual debt instruments		
2	Amount outstanding at the end of year	375,30.00	375,30.00
3	Percentage of amount of perpetual debt instrument of the amount of Tier I Capital*	10.97%	16.67%
4	Financial year in which interest on perpetual debt instruments is not paid on account of 'Lock-in Clause'	NIL	NIL

*Percentage of amount of perpetual debt instrument of the amount of Tier I Capital as reported to RBI for comparative year is as below :-

March 31, 2018 : 14.19%

Note 37D

Disclosure on securitisation/direct assignment of standard assets

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

Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
1	No. of special purpose vehicles (SPVs) sponsored by the Company for securitisation transactions	14	5	3
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company (as certified by the SPV's auditors)	3140,00.33	1393,16.93	1080,41.46
3	Total amount of exposures retained by the company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet			
	a. Off-balance sheet exposures			
	First loss	-	-	-
	Others	-	-	-
	b. On-balance sheet exposures			
	First loss	328,25.11	104,06.46	73,45.40
	Others	91,43.13	72,31.35	53,02.61
4	Amount of exposures to securitisation transactions other than MRR			
	a. Off-balance sheet exposures			
	i) Exposures to own securitizations			
	First loss	-	-	-
	Others	228,65.09	125,10.63	109,85.00
	ii) Exposures to third party securitizations			
	First loss	-	-	-
	Others	-	-	-
	b. On-balance sheet exposures			
	i) Exposures to own securitizations			
	First loss	-	-	-
	Second Loss (In the Form of Fixed Deposits)	149,58.00	41,71.15	-
	Others	140,47.36	79,92.06	62,25.54
	ii) Exposures to third party securitizations			
	First loss	-	-	-
	Others	-	-	-

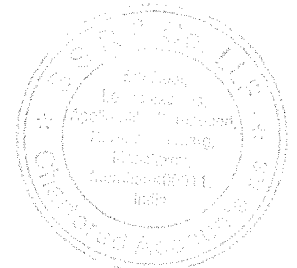
The above information is based on information submitted by the SPVs, which is duly submitted by the SPV's auditors.

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

II) Details of Assignment transactions undertaken by applicable NBFCs

(₹ in lakhs)

Sr No	Particulars	March 31, 2019	March 31, 2018
1	No. of contracts assigned during the year	50,97.00	381,40.00
2	Amount of contracts assigned during the year (Outstanding principal at the time of assignment)	731,82.46	639,64.97
3	Retained amount at the time of direct assignment (10% of outstanding Principal)	73,18.25	60,43.12
4	Retained amount outstanding	62,81.69	34,55.18



Notes forming part of financial statements for the year ended March 31, 2019

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

Note 37E

Disclosure of restructured advances

Sr. No.	Type of Restructuring => Asset Classification =>		Others				
			Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on April 1, 2018 [opening figures]	No. of Borrowers	-	8	26	-	34.00
		Amount Outstanding	-	7,66.45	1,05.63	-	8,72.08
		Provision Amount	-	48.30	21.30	-	69.60
2	Fresh restructuring during the year 2018 - 2019	No. of Borrowers	-	4.00	-	-	4.00
		Amount Outstanding	-	2,73.37	-	-	2,73.37
		Provision Amount	-	15.70	-	-	15.70
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	(2.00)	(1.00)	-	(3.00)
		Amount Outstanding	-	(2,19.85)	(0.18)	-	(2,20.03)
		Provision Amount	-	(1.90)	(0.11)	-	(2.01)
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	-	(5.00)	5.00	-	-
		Amount Outstanding	-	(4,90.69)	4,42.84	-	(47.85)
		Provision Amount	-	(45.91)	2,16.47	-	1,70.55
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	(1.00)	(2.00)	-	(3.00)
		Amount Outstanding	-	(55.90)	(6.23)	-	(62.14)
		Provision Amount	-	(0.49)	(3.81)	-	(4.30)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	-	-	(16.00)	-	(16.00)
		Amount Outstanding	-	-	(76.34)	-	(76.34)
		Provision Amount	-	-	(14.10)	-	(14.10)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2019 [closing figures]	No. of Borrowers	-	4.00	12.00	-	16.00
		Amount Outstanding	-	2,73.37	4,65.72	-	7,39.09
		Provision Amount	-	15.70	2,19.74	-	2,35.44

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 2017-18

Sr. No.	Type of Restructuring => Asset Classification =>		Others				
			Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on April 1, 2017 [opening figures]	No. of Borrowers	-	12.00	89.00	-	1,01.00
		Amount Outstanding	-	2,57.15	7,86.84	-	10,44.00
		Provision Amount	-	8.43	2,10.68	-	2,19.11
2	Fresh restructuring during the year 2017 - 2018	No. of Borrowers	-	7.00	-	-	7.00
		Amount Outstanding	-	7,62.41	-	-	7,62.41
		Provision Amount	-	47.83	-	-	47.83
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	(5.00)	(8.00)	-	(13.00)
		Amount Outstanding	-	(1,90.63)	(1,27.17)	-	(3,17.80)
		Provision Amount	-	(2.85)	(9.78)	-	(12.64)
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	-	(5.00)	5.00	-	-
		Amount Outstanding	-	(57.44)	47.10	-	(10.34)
		Provision Amount	-	(5.32)	7.14	-	1.82
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	-	(10.00)	-	(10.00)
		Amount Outstanding	-	-	(1,22.78)	-	(1,22.78)
		Provision Amount	-	-	(63.85)	-	(63.85)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	-	(1.00)	(50.00)	-	(51.00)
		Amount Outstanding	-	(5.04)	(4,78.36)	-	(4,83.40)
		Provision Amount	-	0.21	(122.89)	-	(1,22.68)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2018 [closing figures]	No. of Borrowers	-	8.00	26.00	-	34.00
		Amount Outstanding	-	7,66.45	1,05.63	-	8,72.08
		Provision Amount	-	48.30	21.30	-	69.60

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

Notes forming part of financial statements for the year ended March 31, 2019

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

Note 37F

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

(₹ in lakhs)

S. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Provision for diminution in the value of investment	114.55	-
2	Provision for doubtful loans and advances (others)	(66.49)	12,65.12
3	Provision for doubtful finance receivables	(112,97.46)	(338,03.93)
	Add / (Less): Delinquency support	9,64.21	(4,60.74)
4	Provision made towards income tax	-	(63,48.81)
5	Provision on consumer disputes	267.01	(18.97)

Note 37G

Investments

(₹ in lakhs)

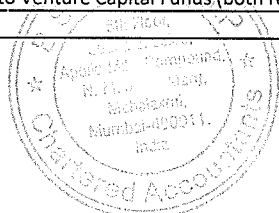
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Value of investments		
(i)	Gross value of investments		
(a)	In India	589,98.34	174,52.54
(b)	Outside India	-	-
(ii)	Provision for depreciation		
(a)	In India	1,14.55	-
(b)	Outside India	-	-
(iii)	Net value of investments		
(a)	In India	588,83.79	174,52.54
(b)	Outside India	-	-
2	Movement of provisions held towards depreciation of investments		
(i)	Opening balance	-	-
(ii)	Add: Provisions made during the year	1,14.55	-
(iii)	Less: Utilised	-	-
(iv)	Closing balance	1,14.55	-

Note 37H

Capital Market

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
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;	257,07.69	149,78.06
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 Venture Capital Funds (both registered and unregistered)	19,48.45	18,34.50
		276,56.14	168,12.56



Notes forming part of financial statements for the year ended March 31, 2019

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

Note 37I

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

S. No.	Rating agency	Period	Instruments					
			Long-term bank facilities	Short-term bank facilities	Secured Non-convertible debentures	Unsecured subordinated Tier II NCDs	Commercial papers	Perpetual debt
1	CRISIL	31-Mar-19	CRISIL AA/NEGATIVE	CRISIL A1+	CRISIL AA/NEGATIVE	CRISIL AA/NEGATIVE	CRISIL A1+	CRISIL A + / NEGATIVE
		31-Mar-18	CRISIL AA/Positive	CRISIL A1+	CRISIL AA/Positive	CRISIL AA/Positive	CRISIL A1+	CRISIL A+ / Positive
2	ICRA	31-Mar-19	ICRA AA / NEGATIVE	ICRA A1+	ICRA AA / NEGATIVE	ICRA AA / NEGATIVE	ICRA A1+	ICRA A+ / NEGATIVE
		31-Mar-18	ICRA AA/Positive	ICRA A1+	ICRA AA/Positive	ICRA AA/Positive	ICRA A1 +	ICRA A+ / Positive
3	CARE	31-Mar-19	CARE AA / STABLE	N.A	CARE AA / STABLE	CARE AA / STABLE	CARE A1+	CARE A + / STABLE
		31-Mar-18	CARE AA + Stables	N.A	CARE AA +Stable	CARE AA + Stable	CARE A1+	CARE AA – Stable

Note 37J

Details of financing of parent company's products

(' in lakhs)

S. No.	Particulars	As at March 31, 2019		As at March 31, 2018	
		No's	Amount	No's	Amount
1	Commercial vehicle#	1,42,187	15977,87.00	1156,89.00	11447,82.00
2	Passenger vehicle#	46,500	3013,49.00	426,19.00	2344,53.00

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

Note 37K

Concentration of advances

(' in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total advances to twenty largest borrowers / customer	594,57.47	371,20.22
2	Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	1.91%	1.65%

Note 37L

Concentration of exposures

(' in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total exposure to twenty largest borrowers / customer	594,57.47	371,20.22
2	Percentage of exposures to twenty largest borrowers / customer to total exposure of the NBFC on borrowers / customer	1.91%	1.65%

Note 37M

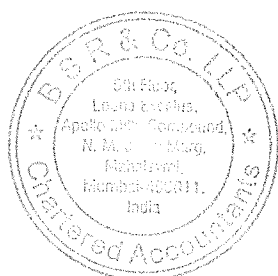
Concentration of NPAs

(' in lakhs)

S. No.	Particulars	As at March 31, 2019*	As at March 31, 2018
1	Total exposure to top four NPA accounts (refer note below)	19,34.44	18,53.47

* Exposure to IL&FS group entities of Rs. 15,66.53 lakhs is excluded in line with National Company Law Appellate Tribunal's (NCLAT) order dated February 25, 2019 in respect of I.A No. 620 of 2019 in Company Appeal (AT) No. 346 of 2018.

Note: Total exposure amount represents Gross of overdue interest and overdue expenses.



Notes forming part of financial statements for the year ended March 31, 2019

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

Note 37N

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

S. No.	Sector	As at March 31, 2019	As at March 31, 2018
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	3.25%	4.60%
7	Other personal loans	-	-

Notes:

(a) For the year ended March 31, 2019 exposure to IL&FS group entities of Rs. 15,04.26 lakhs is excluded for percentage of NPA in line with National Company Law Appellate Tribunal's (NCLAT) order dated February 25, 2019 in respect of I.A No. 620 of 2019 in Company Appeal (AT) No. 346 of 2018.

(b) Percentage of Gross NPA to total advances as per RBI regulations for current and comparative years are as below :-
March 31, 2019 : 2.92%, March 31, 2018 : 4.69%,

Note 37O

Customer complaints

		(Numbers)	
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	No of complaints pending at the beginning of the year	184	50
2	Included on business acquisition	0	0
3	No of complaints received during the year*	4760	3360
4	No of complaints redressed during the year	4660	3226
5	No of complaints pending at the end of the year	284	184

*complaints include legal cases lodged

Note 37P

Movement of NPAs

		(₹ in lakhs)	
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Net NPAs to net advances	1.85%	2.60%
2	Movement of NPAs (Gross)		
(i)	Opening balances	1032,90.89	1708,54.98
(ii)	Additions during the year	719,04.04	663,06.12
(iii)	Reductions during the year	738,38.21	1338,70.21
(iv)	Closing balances	1013,56.72	1032,90.89
3	Movement of Net NPAs		
(i)	Opening balances	570,76.35	1023,09.30
(ii)	Additions during the year	397,77.79	342,83.64
(iii)	Reductions during the year	398,66.19	795,16.59
(iv)	Closing balances	569,87.95	570,76.35
4	Movement of provisions for NPAs (excluding provisions on standard assets)		
(i)	Opening balances	462,14.54	685,45.67
(ii)	Additions during the year	321,26.25	320,22.49
(iii)	Reductions during the year	339,72.02	543,53.62
(iv)	Closing balances	443,68.77	462,14.54

(a) For the year ended March 31, 2019 exposure to IL&FS group entities of Rs. 15,04.26 lakhs is excluded for percentage of Gross NPA in line with National Company Law Appellate Tribunal's (NCLAT) order dated February 25, 2019 in respect of I.A No. 620 of 2019 in Company Appeal (AT) No. 346 of 2018.

(b) Gross NPA and percentage of Net NPAs to net advances as per RBI regulations for current and comparative years are as below :-
Gross NPA : March 31, 2019 : Rs. 911,46.19 lakhs, March 31, 2018 : Rs. 995,58.70 lakhs,
Net NPAs to net advances : March 31, 2019 : 1.52%, March 31, 2018 : 3.27%



Notes forming part of financial statements for the year ended March 31, 2019

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

Note 37Q

Forward Rate Agreement / Interest Rate Swap

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	The notional principal of swap agreements	171,42.50	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	2,30.85	-
(iii)	Collateral required by the applicable NBFC upon entering into swap	-	-
(iv)	Concentration of credit risk arising from the swaps \$	Contracts are with reputed banks	-
(v)	The fair value of the swap book	(113.06)	-

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 40 for risk management policies adopted by the Company.

Quantitative Disclosures

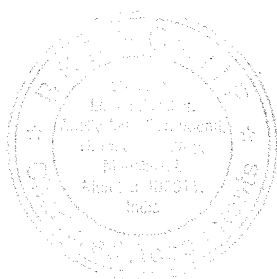
(₹ in lakhs)

S. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	171,42.50	171,42.50
(ii)	Marked to Market Positions		
	a) Asset (+)	-	1,17.79
	b) Liability (-)	(2,30.85)	-
(iii)	Credit Exposure	171,42.50	171,42.50
(iv)	Unhedged Exposures	-	-

Note 37R

Other disclosures

- No penalties were imposed by RBI and other regulators during the financial year 2018-19. (financial year 2017-18: Nil)
- The Company does not have any exposure in real estate sector during the financial year 2018-19. (financial year 2017-18: Nil)
- The Company has not exceeded the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2018-19. (financial year 2017-18: 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 2018-19 except as disclosed in Statement of Changes in Equity. (financial year 2017-18: Nil)
- The Company has not sold any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year 2018-19. (financial year 2017-18: Nil)



Notes forming part of financial statements for the year ended March 31, 2019

Note 38

Related party disclosures

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

(A) Parties where the control exists:

- Ultimate Holding Company: Tata Motors Limited
- Holding Company: TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)

(B) Other Related Parties with whom transactions have taken place during the year and/or previous year:

(i) Fellow subsidiaries within the Group

- Tata Motors Finance Solutions Limited
- 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 Services Limited

(ii) Relatives of Key Management personnel

- Ms. Sonu Mani - Non Executive Director Spouse

(iii) Post Employment Benefit Plans

- Tata Motors Finance Limited Employees Gratuity Scheme

(C) Key Management personnel :

- Mr. Samrat Gupta - Chief Executive officer
- Mr. Anand Bang - Chief Financial Officer
- Mr. Naseer Munjee - Non Independent Director & Chairman
- Ms. Vedika Bhandarkar - Independent Director
- Mr. Hoshang Sinor - Independent Director
- Mr. P. D. Karkaria - Independent Director
- Mr. P. B. Balaji - Non-Executive Director
- Mr. Shyam Mani - Non Executive Director
- Mr. Mayank Pareek - Non-Executive Director
- Mr. Girish Wagh - Non-Executive Director

(II) Transactions/Balances with Related parties

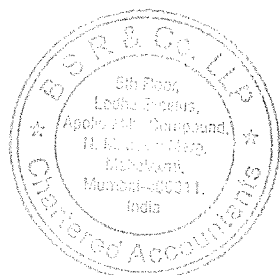
a) Ultimate holding company

(₹ in lakhs)

Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Incentive received	176,49.09	127,46.31
Inter-Corporate Deposits placed	150,00.00	-
Inter-Corporate Deposits repayment received	150,00.00	-
Lease charges received	3,35.59	,67.99
Security Deposit refunded	2,35.00	-
Service charges – income	1,77.00	3,75.91
Common cost reimbursement	103.86	1,01.69
Purchase of fixed assets	97.53	3,72.78
Rent – expenditure	35.95	31.32
PTC Processing Fees received	10.22	2.35
Service charges – expenses	8.40	-
Rent – income	7.17	6.33
Infra support- Income	4.59	-
Interest income on Inter Corporate Deposits	3.08	-
Delinquency support	-	57.64
Information technology service charges	-	50.60

(₹ in lakhs)

Balances	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Net Receivables	36,76.52	12,87.74	4,76.51



Notes forming part of financial statements for the year ended March 31, 2019

b) Holding company

(₹ in lakhs)

Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Inter corporate deposits accepted	2840,00.00	525,00.00
Inter corporate deposits repaid	2890,00.00	475,00.00
Inter-Corporate Deposits placed	440,00.00	-
Inter-Corporate Deposits repayment received	440,00.00	-
Issue of Compulsorily Convertible Preference shares	370,00.00	300,00.00
Unsecured Tier-II Debentures	150,00.00	200,00.00
Issue of equity shares (including share premium)	300,00.00	300,00.00
Dividend paid on equity shares	80,88.79	51,57.10
Interest expense on unsecured Tier-II debenture	23,87.61	19.73
Dividend paid on compulsorily convertible preference	12,30.00	18,45.00
Rent – Expenses	6,87.29	8,43.35
Interest expense on inter corporate deposits	3,65.54	1,39.14
Common cost sharing	91.76	62.02
Interest income on Inter Corporate Deposits	48.16	-
Reimbursement of expenses received	-	32.83
Advance given	-	5.00
Advance received back	-	5.00

(₹ in lakhs)

Balances	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Net receivable		-	3,19.05
Net payable	6,07.41	50,30.40	-
Net payable- debenture	350,00.00	200,00.00	-

c) Other Related Parties

Fellow subsidiary of Holding Company

(₹ in lakhs)

Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Inter corporate deposits repaid	2570,00.00	1064,00.00
Inter corporate deposits accepted	2570,00.00	1064,00.00
Service providers' fees – Income	22,10.05	23,99.22
Interest expenses on Inter corporate deposits	5,14.10	4,14.02
Dividend paid on equity shares	2,78.40	185.48
Reimbursement of other expenses received	1,08.41	72.61
Reimbursement of refurbishment expenses	-	4.09
Assignment of receivable	-	55,717.21

(₹ in lakhs)

Balances	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Net receivable			
Tata Motors Finance Solutions Limited	-	-	3,86.25
Net payable			
Tata Motors Finance Solutions Limited	4,77.26	5,78.41	-

Fellow Subsidiaries & Associates of ultimate holding company

(₹ in lakhs)

Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Concorde Motors (India) Limited		
Commission - expenditure (includes unamortised)	5,04.54	3,74.82
Purchase of fixed assets	66.89	6,44.96
Lease charges received	1,65.45	61.08
Capital advances given	-	-
Car maintenance charges	-	0.44
Tata Technologies Limited		
Dividend received	2,43.60	3,24.80
Information technology support service charges	3,05.93	3,79.32
Interest on long term debenture	55.00	55.00
Tata Precision Industries (India) Limited		
Interest Income on investment in non-convertible	35.00	35.00
Automobile Corporation of Goa Limited		
Dividend received	8.46	8.46
Tata Motors Insurance Broking Services Limited		
Infra support Income	0.35	-
TML Distribution Company Limited		
Advance for purchase of Vehicles	-	17.87
Processing Fees	0.13	-

Notes forming part of financial statements for the year ended March 31, 2019

(₹ in lakhs)

Balances	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investment in debenture			
Tata Precision Industries (India) Limited	3,50.00	3,50.00	3,50.00
Net receivable			
Tata Precision Industries (India) Limited	1.53	17.45	-
Tata Motors Insurance Broking Services Limited	0.35	-	-
TML Distribution Company Limited	-	-	-
Net payable			
Concorde Motors (India) Limited	1,69.76	1,55.07	11.33
Tata Technologies Limited	5,91.67	6,29.10	5,01.48

Transactions and balances with Key Management personnel and their relatives

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018
Interest paid on unsecured perpetual debentures	4.54	4.54
Net payable debentures	40.00	40.00

(c) Key management personnel remuneration

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short term employee benefits*	466.51	374.53
Total		

* Expenses towards provision for gratuity and leave encashment which are determined on actuarial basis at an overall Company level are not included in the above information.

(d) Post Employment Benefit Plans

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018
Recovery of gratuity paid to employees	212.85	132.94

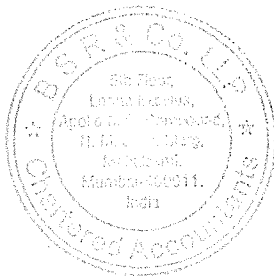
(₹ in lakhs)

Balances	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Net receivable	88.69	273.81	29.33

Terms and Conditions of Transaction with Related Parties:

The transaction with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The above transactions are as per the approval of Audit Committee.

The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



Notes forming part of financial statements for the year ended March 31, 2019

Note 39

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, 2019:

(₹ in lakhs)				
Financial assets	Amortised cost	FVTOCI	FVTPL	Total carrying value
(a) Investments-other than Subsidiaries	413,56.94	77,97.44	97,29.40	588,83.78
(b) Loans	29995,56.80	-	-	29995,56.80
(c) Trade & other receivables	42,78.47	-	-	42,78.47
(d) Cash and cash equivalents	700,79.63	-	-	700,79.63
(e) Other bank balances	977,83.10	-	-	977,83.10
(f) Other financial assets	138,90.37	-	-	138,90.37
(g) Derivative financial instruments	-	-	1,17.79	1,17.79
Total	32269,45.31	77,97.44	98,47.19	32445,89.95

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Total carrying value
(a) Borrowings	17933,78.96	-	-	17933,78.96
(b) Debt securities	9328,45.12	-	-	9328,45.12
(c) Trade & other payables	279,30.52	-	-	279,30.52
(d) Subordinated liabilities	2002,54.92	-	-	2002,54.92
(e) Derivative financial instruments	-	2,30.85	-	2,30.85
(f) Other financial liabilities	220,76.40	-	-	220,76.40
Total	29764,85.92	2,30.85	-	29767,16.77

The following table presents the carrying amounts of each category of financial assets and liabilities as at March 31, 2018:

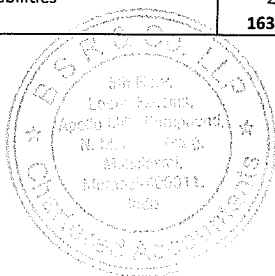
(₹ in lakhs)				
Financial assets	Amortised cost	FVTOCI	FVTPL	Total carrying value
(a) Investments-other than Subsidiaries	6,39.98	72,69.76	95,42.80	174,52.54
(b) Loans	21543,79.85	-	-	21543,79.85
(c) Trade & other receivables	23,66.49	-	-	23,66.49
(d) Cash and cash equivalents	189,05.98	-	-	189,05.98
(e) Other bank balances	645,77.61	-	-	645,77.61
(f) Other financial assets	18,58.27	-	-	18,58.27
Total	22427,28.18	72,69.76	95,42.80	22595,40.75

Financial liabilities	Amortised cost	FVTOCI	FVTPL	Total carrying value
(a) Borrowings	9041,73.84	-	-	9041,73.84
(b) Debt securities	9459,51.35	-	-	9459,51.35
(c) Trade & other payables	181,34.46	-	-	181,34.46
(d) Subordinated liabilities	1751,81.80	-	-	1751,81.80
(e) Derivative financial instruments	-	-	-	-
(f) Other financial liabilities	229,41.79	-	-	229,41.79
Total	20663,83.24	-	-	20663,83.24

The following table presents the carrying amounts of each category of financial assets and liabilities as at April 01, 2017:

(₹ in lakhs)				
Financial assets	Amortised cost	FVTOCI	FVTPL	Total carrying value
(a) Investments-other than Subsidiaries	6,39.98	78,18.47	188,60.30	273,18.75
(b) Loans	16481,85.98	-	-	16481,85.98
(c) Trade & other receivables	13,96.34	-	-	13,96.34
(d) Cash and cash equivalents	215,45.00	-	-	215,45.00
(e) Other bank balances	573,45.40	-	-	573,45.40
(f) Other financial assets	21,85.23	-	-	21,85.23
Total	17312,97.93	78,18.47	188,60.30	17579,76.70

Financial liabilities	Amortised cost	FVTOCI	FVTPL	Total carrying value
(a) Borrowings	7553,29.92	-	-	7553,29.92
(b) Debt securities	6854,35.56	-	-	6854,35.56
(c) Trade & other payables	224,72.07	-	-	224,72.07
(d) Subordinated liabilities	1501,75.08	-	-	1501,75.08
(e) Other financial liabilities	209,02.81	-	-	209,02.81
Total	16343,15.43	-	-	16343,15.43



Notes forming part of financial statements for the year ended March 31, 2019

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, 2019					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	175,26.84	175,26.84	55,40.14	-	119,86.70	175,26.84
(b) Derivative instruments	1,17.79	1,17.79	-	1,17.79	-	1,17.79
Total	176,44.64	176,44.64	55,40.14	1,17.79	119,86.70	176,44.64

Particulars	As at March 31, 2019					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost for which fair value is disclosed						
(a) Loans	29995,56.80	29966,57.79	-	-	29966,57.79	29966,57.79
Total	29995,56.80	29966,57.79	-	-	29966,57.79	29966,57.79

Particulars	As at March 31, 2019					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value						
(a) Derivative instruments	2,30.85	230.85	-	2,30.85	-	2,30.85
Total	2,30.85	2,30.85	-	2,30.85	-	2,30.85

Particulars	As at March 31, 2019					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortised cost for which fair value is disclosed						
(a) Borrowings	3573,99.43	3,56,983.73		3569,83.73		3569,83.73
(b) Debt securities	3721,81.29	3,78,885.86		3788,85.86		3788,85.86
(c) Subordinated liabilities	2002,54.92	2,14,514.50		2145,14.50		2145,14.50
Total	9298,35.64	9503,84.09	-	9503,84.09	-	9503,84.09

Particulars	As at March 31, 2018					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	168,12.56	168,12.56	60,37.59	-	107,74.97	168,12.56
Total	168,12.56	168,12.56	60,37.59	-	107,74.97	168,12.56

Particulars	As at March 31, 2018					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost for which fair value is disclosed						
(a) Loans	21543,79.85	21549,86.39	-	-	21549,86.39	21549,86.39
Total	21543,79.85	21549,86.39	-	-	21549,86.39	21549,86.39

Particulars	As at March 31, 2018					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortised cost for which fair value is disclosed						
(a) Borrowings	1477,58.07	1468,26.41	-	1468,26.41	-	1468,26.41
(b) Debt securities	3831,09.30	3923,43.05	-	3923,43.05	-	3923,43.05
(c) Subordinated liabilities	1751,81.80	1725,48.46	-	1725,48.46	-	1725,48.46
Total	7060,49.17	7117,17.92	-	7117,17.92	-	7117,17.92

Particulars	As at April 01, 2017					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	266,78.77	266,78.77	159,03.80	-	107,74.97	266,78.77
Total	266,78.77	266,78.77	159,03.80	-	107,74.97	266,78.77

Particulars	As at April 01, 2017					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost for which fair value is disclosed						
(a) Loans	16481,85.98	16613,92.09	-	-	16613,92.09	16613,92.09
Total	16481,85.98	16613,92.09	-	-	16613,92.09	16613,92.09

Particulars	As at April 01, 2017					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortised cost for which fair value is disclosed						
(a) Borrowings	1127,87.65	1167,48.37	-	1167,48.37	-	1167,48.37
(b) Debt securities	4194,81.68	4364,25.47	-	4364,25.47	-	4364,25.47
(c) Subordinated liabilities	1501,75.08	1734,44.76		1734,44.76		1734,44.76
Total	6824,44.41	7266,18.60	-	7266,18.60	-	7266,18.60

Notes forming part of financial statements for the year ended March 31, 2019

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.

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.

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 for the year ended March 31, 2019, 2018 and 2017.

Valuation technique used to determine fair value of financial instruments

- Derivatives 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 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 for repossessed vehicles as at March 31, 2019 and 2018. Since significant unobservable inputs are applied in measuring the fair value of loans arising from finance activities are classified in Level 3.
- 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.
- 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.
- 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.
- 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 other financial assets and other financial liabilities other than those disclosed in table above valued at level 2 and level 3 are considered to be the same as their fair values due to the short term maturities of instruments and no material differences in the values.

Reconciliation of level 3 fair value measurement is as below :

Particulars	₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	107,74.97	107,74.97
Additions during the year	-	-
Fair value changes during the year	1,211.73	-
Balance at the end of the year	119,86.70	107,74.97



Notes forming part of financial statements for the year ended March 31, 2019

Note 40

Financial risk management

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

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

(A) Credit Risk

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

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

Exposure to Credit Risk

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

Financial assets that are neither past due or impaired

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

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

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

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding the derivative contracts, trade receivables and other financial assets are neither impaired nor past due, there were no indications as at March 31, 2019, that defaults in payment obligations will occur.

i) Loans arising from financing activities - Credit quality of financial assets and impairment loss

The carrying amount of loans represent the maximum credit exposure net of provision for impairment. The maximum exposure to credit risk was Rs. 29995,56.80 lakhs as of March 31, 2019 (31 March, 2018 - Rs. 21543,73.55 lakhs and 01 April, 2017 - Rs. 16481,85.98 lakhs)

Loans are derived 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.

For the loans financed to customers the Company covers/secure the credit risk associated with the loans lent to customers by creating an exclusive charge/hypothecation/security on the assets as mentioned/specified in the loan agreement with the customers.

The Company does not have a high concentration of credit risk to a single customer exceeding 10% of Company revenue. Single largest customer have the total exposure in loan outstanding is of Rs. 38,55.18 lakhs as of March 31, 2019 (March 31, 2018 - Rs. 23,82.10 lakhs and April 01, 2017 - Rs. 36,79.46 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 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.

Loans	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Gross carrying amount	Impairment allowance	Net amount	Gross carrying amount	Impairment allowance	Net amount	Gross carrying amount	Impairment allowance	Net amount
Current (not past due)	23364,67.54	124,65.06	23240,02.48	14721,99.25	129,53.34	14592,45.91	10571,46.03	141,26.12	10430,19.91
01-30 days past due*	3987,34.42	57,65.61	3929,68.81	4787,75.39	130,87.66	4656,87.73	3042,76.86	126,67.39	2916,09.47
31-90 days past due*	2396,17.52	155,24.22	2240,93.30	1895,29.13	171,65.58	1723,63.55	2391,33.16	278,85.87	2112,47.30
above 90 days past due*	1028,60.98	443,68.77	584,92.21	1032,90.89	462,14.54	570,76.35	1708,54.98	685,45.67	1023,09.30
Total	30776,80.46	781,23.66	29995,56.80	22437,94.66	894,21.12	21543,73.54	17714,11.03	1232,25.05	16481,85.98

(₹ in lakhs)

*Includes future principal instalments which are not past due aggregating to Rs. 6666,75.58 lakhs as of March 31, 2019 (March 31, 2018 Rs. 7032,66.88 lakhs; April 01, 2017 Rs. 6399,17.63 lakhs)

Changes in the allowance for credit losses in loans arising from financing activities are as follows:

(₹ in lakhs)

	For the year ended March 31,	
	2019	2018
Balance at the beginning	894,21.12	1232,25.05
Impairment loss recognised/(reversed)	285,63.46	129,41.64
Amounts written off	(398,60.93)	(467,45.56)
Balance at the end	781,23.65	894,21.13



Notes forming part of financial statements for the year ended March 31, 2019

(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, 2019:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
(₹ in lakhs)						
Non derivatives						
Borrowings	17933,78.96	8561,41.82	4134,37.48	8064,67.10	85,48.21	20845,94.61
Trade and other payables	279,30.52	279,30.52	-	-	-	279,30.52
Debt securities	9328,45.12	7795,24.00	1500,01.97	473,15.54	-	9768,41.51
Subordinated liabilities	2002,54.92	493,56.47	511,22.13	893,86.39	849,61.93	2748,26.91
Other financial liabilities	220,76.40	220,76.39	-	-	-	220,76.39
Derivatives						
Derivative contracts	2,30.85	-	-	2,30.85	-	2,30.85
Total	29767,16.77	17350,29.21	6145,61.57	9433,99.88	935,10.14	33865,00.79

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:

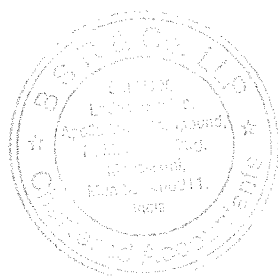
	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total contractual cash flows
(₹ in lakhs)					
Collateralized debt obligations	3047,33.38	1666,99.00	1098,90.00	578,80.00	3344,69.00

The table below provides details regarding the contractual maturities of financial liabilities, including estimated/contractual interest payments as at March 31, 2018:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
(₹ in lakhs)						
Non derivatives						
Borrowings	9041,73.84	4004,73.41	2526,33.42	3799,85.39	91,95.00	10422,87.22
Trade and other payables	181,34.46	181,34.46	-	-	-	181,34.46
Debt securities	9459,51.35	7796,03.88	667,35.12	1492,86.18	-	9956,25.17
Subordinated liabilities	1751,81.80	183,92.65	468,56.47	1020,13.37	852,56.31	2525,18.80
Other financial liabilities	229,41.79	229,41.78	-	-	-	229,41.78
Derivatives						
Derivative contracts	-	-	-	-	-	-
Total	20663,83.24	12395,46.18	3662,25.01	6312,84.93	944,51.31	23315,07.43

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:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total contractual cash flows
(₹ in lakhs)					
Collateralized debt obligations	1320,58.31	793,85.41	454,73.76	168,44.81	1417,03.98



Notes forming part of financial statements for the year ended March 31, 2019

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at April 01, 2017:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cash flows
(₹ in lakhs)						
Non derivatives						
Borrowings	7553,29.92	3019,36.68	1352,74.90	4784,02.15	139,00.00	9295,13.73
Trade and other payables	224,72.08	224,72.07	-	-	-	224,72.07
Debt securities	6854,35.56	4823,54.86	1966,01.90	677,16.81	-	7466,73.58
Subordinated liabilities	1501,75.08	161,75.15	161,75.15	1150,62.88	814,62.47	2288,75.66
Other financial liabilities	209,02.81	209,02.81	-	-	-	209,02.81
Derivatives						
Derivative contracts	-	-	-	-	-	-
Total	16343,15.45	8438,41.58	3480,51.96	6611,81.84	953,62.47	19484,37.85

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:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total contractual
(₹ in lakhs)					
Collateralized debt obligations	1027,11.68	629,67.21	367,07.43	110,81.67	1107,56.31

(C) Management of Market Risk

Market risk comprises of foreign currency risk and interest rate risk. Interest rate risk arises from variable rate borrowings that expose the Company's financial performance, financial position and cash flows to the movement in market rates of interest. Foreign currency risk arises from transactions that are undertaken in a currency other than the functional currency of the Company.

Foreign currency risk

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 operations are subject to risks arising from fluctuations in exchange rates primarily relating to the fluctuations in U.S. dollar against the functional currency of the Company. The Company's foreign currency exposure arises mainly from variable rate foreign currency borrowings, primarily with respect to USD.

The Company, as per its risk management policy, uses currency swaps and other derivative instruments primarily to hedge foreign exchange. Furthermore, any movement in the functional currency of the Company against USD foreign currency may impact the Company's cost of borrowings.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for USD currency by aggregation of the net foreign exchange rate exposure of a USD currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of USD currency by 10%.

The following table sets forth information relating to Company' foreign currency exposure expressed in INR as follows:

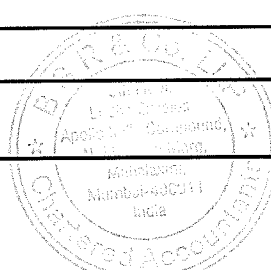
	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
	USD exposure	USD exposure	USD exposure
Non derivative Financial Liabilities			
Borrowings- Foreign currency term loan	172,88.75	-	-
Derivative financial liabilities to hedge			
Forward Contract- (USD/INR)	(172,88.75)	-	-
Net Exposure			

Sensitivity - Foreign Currency

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated borrowings is as follows:

	(₹ in lakhs)	
	Impact on profit after tax	
	March 31, 2019	March 31, 2018
USD Sensitivity		
INR/USD increase by 10%*	23.09	-
INR/USD decrease by 10%*	(23.09)	-

* Holding all other variables constant



Notes forming part of financial statements for the year ended March 31, 2019

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 with floating/variable interest rates.

The Company borrows through various instruments which has floating rate/interest rate reset clause which is exposed to interest rate risk. For the foreign currency denominated floating interest rate borrowings, the Company manages its interest rate risk by entering into interest rate/coupon swap derivative instruments.

As at the end of reporting period, the Company had following variable interest rate borrowings and derivatives to hedge the interest rate risk:

(₹ in lakhs)			
	As at March 31, 2019	As at March 31 2018	As at April 01, 2017
<u>Non derivative Financial Liabilities</u>			
Variable rate borrowings	13156,99.46	5983,92.86	5100,00.00
<u>Derivative financial liabilities to hedge interest</u>			
Coupon only swap	172,88.75	-	-
Net Exposure	12984,10.71	5983,92.86	5100,00.00

Interest rate sensitivity analysis

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 balance sheet date would result in an impact (decrease/increase in case of profit/(loss) before tax of Rs. 12,984.11 lakhs and Rs. 59,83.93 lakhs on income for the year ended March 31, 2019 and 2018 respectively.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

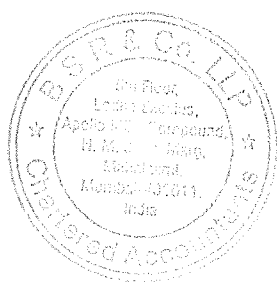
Equity price risk

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, 2019, 2018 and 2017 was Rs. 133,58.39 lakhs, Rs. 112,03.00 lakhs and Rs. 106,84.78 lakhs respectively.

	(₹ in lakhs)			
	Impact on profit for the year		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<u>Equity price Sensitivity</u>				
Increase in equity price by 10 %*	761.00	7,54.00	575.00	3,66.00
Decrease in equity price by 10 %*	(7,61.00)	(7,54.00)	(5,75.00)	(3,66.00)

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



Notes forming part of financial statements for the year ended March 31, 2019

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 period end dates

Particulars	As at March 31, 2019	As at March 31, 2018
CRAR (%)	15.25%	16.50%
CRAR - Tier I capital (%)	10.93%	10.16%
CRAR - Tier II capital (%)	4.32%	6.34%

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

(b) Dividend

Equity shares

Interim dividend for the year ended March 31, 2019 - Rs. 3 (March 31, 2018 - Rs. 7.18) per fully paid up share.

Dividends not recognised at the end of the reporting period

In addition to the above dividends, the Board of Directors have recommended the payment of a final dividend of Rs. 6.05 per fully paid equity share of Rs. 100 each (March 31, 2018 - Rs. 12.28). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Note 41

Transfer of financial assets

The Company transfers loans arising from financing activities through securitisation 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	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
Loans	2996,21.07	3047,33.38	1306,91.21	1320,58.31	1004,37.76	1027,11.68

Net of provision of Rs. 38,03.29 lakhs, Rs.22,61.96 lakhs and Rs.29,00.29 lakhs as at March 31, 2019, 2018 and April 01, 2017 respectively.



Notes forming part of financial statements for the year ended March 31, 2019

Note 42

Disclosure on exposure to Infrastructure Leasing & Financial Services Limited (ILFS) and its group entities as per RBI notification DBR.BP.BC.No.37/21.04.048/2018-19 dated April 24, 2019

Position as on March 31, 2019-

(₹ in lakhs)			
Amount outstanding*	Of (1), total amount of exposures which are NPAs as per IRAC norms and not classified as NPA	Provisions required to be made as per IRAC norms	Provisions actually held
(1)	(2)	(3)	(4)
27,98.70	15,04.26	1,50.43	4,00.82

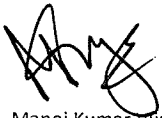
* Includes overdue interest and overdue expenses

Note 43

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 ₹2,50.41 lakhs during the period ended March 31, 2019 (during the year ended March 31, 2018: ₹ 1,59.24 lakhs and April 01, 2017 :₹ 28.35 lakhs) vide form FMR 1.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022



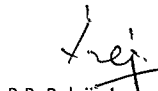
Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date: May 06, 2019

For and on behalf of the Board of Directors




Nasser Munjee
Chairman
(DIN - 00010180)



P.B. Balaji
Director
(DIN - 02762983)



Samrat Gupta
Chief Executive Officer

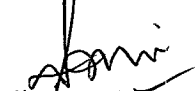


Vinay Lavannis
Company Secretary

Place: Mumbai
Date: May 06, 2019



Vedika Bhandarkar
Director
(DIN - 00033808)



Shyam Mani
Director
(DIN - 00273598)



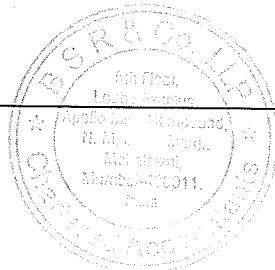
Anand Bang
Chief Financial Officer

Schedule to the Balance Sheet as at March 31, 2019 of a non-deposit taking non-banking financial Company

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

(₹ in lakhs)


Particulars			Amount outstanding	Amount overdue
Liabilities side:				
(1)	Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid: *			
	(a) Debentures : Secured (Note-1)		3721,81.29	-
	: Unsecured (other than falling within the meaning of public deposits)		2002,54.92	-
	(b) Deferred Credits		-	-
	(c) Term Loans		10660,00.63	-
	(d) Inter-corporate loans and borrowings		50,00.00	-
	(e) Commercial Papers (Note-2)		5606,63.83	-
	(f) Other Loans			
	- Working capital demand loan		2645,00.00	-
	- Cash Credit			
	- From banks		1304,71.95	-
	- Collateral Debt Obligation		3047,33.38	-
	- Liability component of compound financial instruments		226,73.00	-
Assets side:				Amount Outstanding
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:			
	(a) Secured			-
	(b) Unsecured			-
(3)	Break up of Leased Assets and stock on hire and other assets towards AFC activities			
	(i) Lease assets including lease rentals under sundry debtors :			
	(a) Financial lease			-
	(b) Operating lease			20.51
	(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			113,24.79
	(b) Loans other than (a) above (refer note 1 & note 2 below)			30663,55.66
(4)	Break-up of Investments:			
	Current Investments:			
	1 Quoted :			
	(i) Shares : (a) Equity			-
	(b) Preference			-
	(ii) Debentures and Bonds			-
	(iii) Units of mutual funds			-
	(iv) Government Securities			-
	(v) Others			-
	Investment in Senior Pass Through Certificates			-
	2 Unquoted:			
	(i) Shares : (a) Equity			-
	(b) Preference			-
	(ii) Debentures and Bonds			-
	(iii) Units of mutual funds			-
	(iv) Government Securities			-
	(v) Others			-
	Long Term Investments:			
	1 Quoted :			
	(i) Shares : (a) Equity (Investment in subsidiary)			-
	(b) Preference			-
	(ii) Debentures and Bonds			-
	(iii) Units of mutual funds			-
	(iv) Government Securities			-
	(v) Others			-
				35,91.69

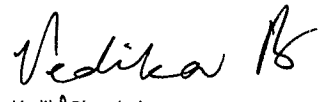


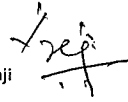
2	Unquoted:			
(i)	Shares :	(a) Equity (Investment in subsidiaries)		-
		(b) Preference		2,89.98
(ii)	Debentures and Bonds			113,50.00
(iii)	Units of mutual funds			-
(iv)	Government Securities			-
(v)	Others			436,52.12
				-
(5) Borrower group-wise classification of assets financed as in (2) and (3) above :				
		Amount net of provisions		
	Category	Secured	Unsecured	Total
1	Related Parties			
(a)	Subsidiaries			
(b)	Companies in the same group	1.58	-	1.58
(c)	Other related parties			
2	Other than Related Parties	30776,99.38	-	30776,99.38
	Total	30777,00.96	-	30777,00.96
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
	Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provision)	
1	Related Parties			
(a)	Subsidiaries	-		-
(b)	Companies in the same group	159,59.11		159,59.11
(c)	Other related parties	-		-
2	Other than Related Parties			
	Quoted			
	Investment in Equity Shares	2,59.26		2,59.26
	Unquoted			
	Investment in NCDs	-		-
	Investment in Senior Pass Through Certificates	-		-
	Investment in Units of Mutual fund	-		-
	Others	426,65.42		426,65.42
	Total	588,83.78		588,83.78
(7) Other information				
	Particulars			
(i)	Gross Non-Performing Assets			
(a)	Related parties			-
(b)	Other than related parties			1013,56.72
(ii)	Net Non-Performing Assets			
(a)	Related parties			-
(b)	Other than related parties			569,87.95
(iii)	Assets acquired in satisfaction of debt			-

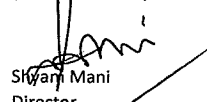
Note 1: Includes Zero coupon debentures of Rs. 1723,85.33 lakhs, net of unamortised premium on redemption and unamortised borrowing cost of Rs. 179,01.47 lakhs.


Note 2: Commercial Paper of Rs. 5606,63.83 lakhs are net of unamortised discounting charges and unamortised borrowing cost amounting to Rs. 83,36.16 lakhs.


Nasser Manjee
Chairman
(DIN - 00010180)

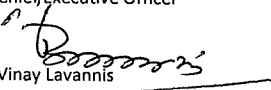

Vedika Bhandarkar
Director
(DIN - 00033808)


P.B. Balaji
Director
(DIN - 02762983)


Shyam Mani
Director
(DIN - 00273598)


Samrat Gupta
Chief Executive Officer


Anand Bang
Chief Financial Officer


Vinay Lavannis
Company Secretary

Mumbai
Date : May 06, 2019