

TMF Holdings Limited
(formerly known as Tata Motors Finance Limited)
Consolidated Financial Statements
together with
the Independent Auditor's Report
for the year ended 31 March 2018

TMF Holdings Limited
(formerly known as Tata Motors Finance Limited)

Consolidated Financial Statements together with the Independent Auditor's Report
for the year ended 31 March 2018

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B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)

Report on the Audit of Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TMF Holdings Limited (formerly known as Tata Motors Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing

Independent Auditor's Report (Continued)

TMF Holdings Limited

(Formerly known as Tata Motors Finance Limited)

Auditor's Responsibility (Continued)

standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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 consolidated state of affairs of the Group as at 31 March 2018, and its consolidated profit and consolidated cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Group for the year ended 31 March 2017 as included in these consolidated financial statements have been audited by the predecessor auditor who has audited the consolidated financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative consolidated financial information dated 19 May 2017 expressed an unmodified opinion.

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Independent Auditor's Report (Continued)
TMF Holdings Limited
(Formerly known as Tata Motors Finance Limited)

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
 - e) On the basis of the written representations received from the respective directors of the Holding Company and its subsidiary companies in India as on 31 March 2018 taken on record by the respective Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Holding Company and its subsidiary companies in India is disqualified as on 31 March 2018 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 Holding Company and its subsidiary companies in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 28 to the financial statements;
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies in India during the year ended 31 March 2018.

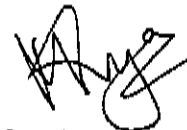
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Independent Auditor's Report (Continued)
TMF Holdings Limited
(Formerly known as Tata Motors Finance Limited)

Report on Other Legal and Regulatory Requirements (Continued)

- iv. The disclosures in the consolidated 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 since they do not pertain to the financial year ended 31 March 2018. Corresponding amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner
Membership No: 046882

Place : Mumbai
Date : 2 May 2018

TMF Holdings Limited
(formerly known as Tata Motors Finance Limited)

Annexure - A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TMF Holdings Limited (formerly known as Tata Motors Finance Limited) ("the Holding Company") and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as "the Group"), as of 31 March 2018 in conjunction with our audit of the Consolidated financial statements of the Holding Company and its subsidiary companies for the year ended on that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

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

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

TMF Holdings Limited (Holding Company)
(formerly known as Tata Motors Finance Limited)

Annexure - A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of TMF Holdings Limited (Formerly known as Tata Motors Finance Limited) (Continued)

Auditor's responsibility (Continued)

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

Meaning of internal financial controls over financial reporting

The Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (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 Group are being made only in accordance with authorisations of management and directors of the respective companies within the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

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**TMF Holdings Limited
(formerly known as Tata Motors Finance Limited)**

Annexure - A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of TMF Holdings Limited (Formerly known as Tata Motors Finance Limited) (Continued)

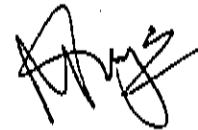
Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Group, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For B S R & Co. LLP

Chartered Accountants

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



Manoj Kumar Vijai

Partner

Membership No: 046882

Place: Mumbai

Date: 2 May 2018

TMF HOLDINGS LIMITED
(CIN - U65923MH2006PLC102503)
Consolidated Balance Sheet as at March 31, 2018

Rs. in lakhs

Particulars	Notes	As At March 31, 2018	As At March 31, 2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	1636,73.51	1753,02.08
(b) Reserves and surplus	4	1,61.04	(116,10.05)
(c) Minority interest		468,45.00	-
		2308,80.45	1636,82.13
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	10402,81.27	11077,08.00
(b) Other long-term liabilities	6	140,84.98	35,80.98
(c) Long-term provisions	7 (a)	248,34.73	332,13.85
		10872,00.96	11448,63.82
(3) Current Liabilities			
(a) Short-term borrowings	8	11279,20.21	6321,30.09
(b) Trade payables	9	-	-
(i) Total outstanding dues of micro, small and medium enterprises		-	-
(ii) Total outstanding dues of creditors other than above		197,84.33	18,407.74
(c) Other current liabilities	10	3950,52.27	3489,19.88
(d) Short-term provisions	7 (b)	320,70.00	946,06.03
		15757,35.87	10922,14.94
Total		28938,17.28	24007,60.89
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	90,04.01	72,08.55
(ii) Intangible assets	12	7,00.48	1,50.77
(iii) Capital work-in-progress		51.30	37.28
(b) Goodwill (on consolidation)		205,18.53	205,18.53
(c) Non-current investments	13 (a)	335,91.01	217,37.20
(d) Deferred tax assets (net)	14 (b)	44,40.36	2,13.43
(e) Finance receivables	15 (a)	14477,53.52	10174,10.80
(f) Long-term loans and advances	16	539,48.95	363,88.10
(g) Other non-current assets	17 (a)	161,35.08	94,92.45
		16061,60.22	11131,42.96
(2) Current assets			
(a) Current investments	13 (b)	1180,80.88	988,35.00
(b) Trade receivables	18	1054,47.60	489,34.35
(c) Cash and cash equivalents	19	1150,17.42	1294,64.09
(d) Finance receivables	15 (b)	8834,04.51	9470,00.23
(e) Short-term loans and advances	20	842,30.83	377,71.02
(f) Other current assets	17 (b)	214,88.82	246,51.89
		13076,69.06	12876,17.94
Total		28938,17.28	24007,60.89
See accompanying summary of significant accounting policies and explanatory notes forming part of the consolidated financial statements			

As per our report of even date attached

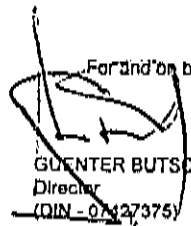
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248WW-100022



Manoj Kumar Vijal
Partner

Membership No. 046082

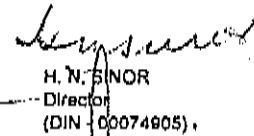
Place:
Date: May 2, 2018


For and on behalf of the Board of Directors

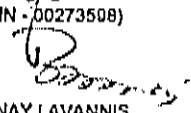

GUENTER BUTSCHEK
Director
(DIN - 07427375)


P.B. BALAJI
Director
(DIN - 02782083)


ANAND BANG
Chief Financial Officer


H. N. SINOR
Director
(DIN - 00074805)


SHYAM MANI
Managing Director
(DIN - 00273508)


VINAY LAVANNIS
Company Secretary

Place: Mumbai
Date: May 2, 2018

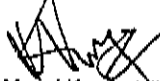
TMF HOLDINGS LIMITED
(CIN - U65923MH2006PLC162503)
Consolidated Statement of Profit and Loss for the year ended March 31, 2018

Rs. in lakhs

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
I. Revenue from operations	21	2767,48.91	2580,25.70
II. Other income	22	108,03.85	140,25.34
III. Total Revenue (I + II)		2875,52.76	2720,51.04
IV. Expenses:			
Employee benefits expense	23	305,75.85	227,46.83
Finance costs	25	1450,26.15	1580,21.98
Depreciation and amortisation expense	11,12	18,35.25	21,43.74
Other expenses	24	804,07.64	1589,94.63
Total expenses		2585,24.89	3419,07.18
V. Profit / (loss) before exceptional and extraordinary items and tax (III-IV)		290,27.87	(698,56.14)
VI. Exceptional items		-	-
VII. Profit / (loss) before extraordinary items and tax (V + VI)		290,27.87	(698,56.14)
VIII. Extraordinary items		-	-
IX. Profit / (loss) before tax (VII- VIII)		290,27.87	(698,56.14)
X. Tax expenses	14 (a)	72,86.60	483,73.07
XI. Net Profit / (loss) for the year		217,41.27	(1182,29.21)
XII. Earnings per equity share (of Rs. 10/- each)			
Basic (Rs.)		1.36	(9.07)
Diluted (Rs.)		1.36	(9.07)
Explanatory notes forming part of the consolidated financial statements (Note 1 to 33)			

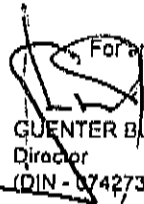
In terms of our report attached

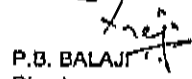
For B S R & Co, LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022


Manoj Kumar Vijal
Partner
Membership No. 046882

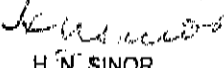
Place: Mumbai
Date: May 2, 2018


For and on behalf of the Board of Directors


GUENTER BUTSCHEK
Director
(DIN - 07427375)


P.B. BALAJI
Director
(DIN - 02762983)


ANAND BANG
Chief Financial Officer


H.N. SINOR
Director
(DIN - 00074905)


SHYAM MANI
Managing Director
(DIN - 00273508)


VINAY LAVANNIS
Company Secretary

Place: Mumbai
Date: May 2, 2018

TMF HOLDINGS LIMITED

(CIN - UG5923MH2006PLC162503)

Consolidated Cash Flow Statement for the year ended March 31, 2018

Rs. in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Not profit / (loss) before tax	290,27.87	(698,56.14)
Adjustments for:		
Interest income	(2492,73.75)	(2243,91.05)
Interest income on long-term trade investments, bank deposits, etc.	(58,76.11)	(51,44.50)
Discounting charges on commercial paper	448,81.08	350,46.08
Depreciation and amortisation expense	18,35.25	21,43.74
Net gains on sale/redemption of investments	(26,30.62)	(54,10.80)
Dividend from long-term investments	(4,05.80)	(4,85.48)
Interest expense and other borrowing costs	1007,45.07	1223,90.20
Write off / loss on sale of fixed assets (net)	1,75.50	1,35.56
Provision for diminution in the value of investment / (write back)	(2,90.17)	3,24.47
Provision for employee benefits schemes / (write back)	(1,42.37)	(8,94.02)
Provision for indirect tax / (write back)	8.08	110,07.15
Provision for doubtful finance receivables and finance receivables written-off	1697,29.96	1500,93.40
Provisions on standard assets	31,53.14	16,27.75
Provision for doubtful loans and advances and security deposits / (write back)	15,06.21	(5,04.62)
Operating cash flow before working capital changes and discounting charges	924,44.03	166,81.44
Movements in working capital:		
Other assets	11,72.82	(58,00.58)
Short-term advances	(279,85.42)	(55,58.13)
Finance receivables	(6067,39.35)	(779,78.77)
Long-term advances	(77,12.03)	(102,89.87)
Trade receivables	(565,13.25)	1000,85.78
Trade payables	13,16.59	18,90.27
Other current liabilities	129,01.86	161,87.26
Senior pass-through-certificates - assignment receivables	(540,61.15)	(37,06.48)
Other long term liabilities	85,08.29	(370,55.45)
Margin money/cash collateral with banks (Note 1)	(72,32.21)	(58,21.40)
	(7363,23.85)	(281,11.37)
Current taxes refund received / (paid) (net)	(71,71.18)	171,30.04
Interest expense	(1038,92.57)	(1257,88.60)
Discounting charges / premium on commercial papers and zero coupon bonds paid	(630,58.18)	(493,87.53)
Interest income	2471,66.33	2243,20.07
Net cash flow / (used in) operating activities	(5717,35.42)	648,63.99
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(49,34.64)	(9,08.46)
Proceeds from sale of fixed assets	1,09.08	1,33.71
Purchase of long-term senior pass-through-certificates	(19,28.74)	(50,04.73)
Purchase of current investments	(38307,12.50)	(51763,65.14)
Proceeds from sale/redemption of current investments	36754,73.20	51442,37.26
Purchase / redemption of debentures	(115,03.40)	(86,29.73)
Purchase of long-term investments	-	(24,15)
Proceeds from sale / redemption of long-term investments	11,82.49	60,41.38
Proceeds from sale of investments in subsidiary	443,70.00	-
Interest income on long term trade investments, bank deposits, etc.	43,09.54	51,24.35
Dividend from long-term investments	4,05.80	4,85.48
Net cash used in investing activities	707,71.72	(360,00.03)

TMF HOLDINGS LIMITED
(CIN - U66923MH2006PLC162503)

Consolidated Cash Flow Statement for the year ended March 31, 2018

Rs. in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Share issue expenses	(1,44.12)	(5,50.44)
Proceeds from issue of equity shares	300,00.00	-
Increase / (decrease) in cash credit (net)	87,17.28	(201,31.22)
Proceeds from short-term borrowings less than 3 months (net)	5902,00.20	949,93.01
Proceeds from short-term borrowings 3 months and above	5437,08.69	3411,85.04
Repayment of short-term borrowings 3 months and above	(6500,30.56)	(3631,94.22)
Proceeds from long-term borrowings	3555,00.00	5780,00.00
Repayment of long-term borrowings	(3867,87.14)	(5988,40.00)
Dividend paid (including corporate dividend tax)	(88,75.57)	(56,23.05)
Not cash from financing activities	4823,45.87	286,38.22
Not increase/(decrease) in cash and cash equivalents	(186,17.82)	466,02.18
Cash and cash equivalents at the beginning of the year (refer note 10)	694,04.09	229,61.91
Cash and cash equivalents as at the end of the year (refer note 10)	608,46.27	604,64.09
Not increase/(decrease) in cash and cash equivalents	(186,17.82)	466,02.18

Notes:

1. Not freely available for use by the Group.
2. Previous year amounts have been re-grouped, wherever necessary.


In terms of our report attached

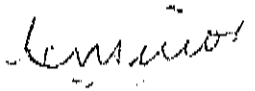
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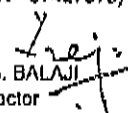
Manoj Kumar Vijal
Partner
Membership No. 046882

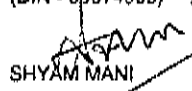
Place: Mumbai
Date: May 2, 2018

For and on behalf of the Board of Directors


G. N. SINOR
Director
(DIN - 07427375)


H. N. SINOR
Director
(DIN - 00074905)


P. B. BALAJI
Director
(DIN - 02762083)


SHYAM MANI
Managing Director
(DIN - 00273598)


ANAND BANG
Chief Financial Officer


VINAY LAVANNIS
Company Secretary

Place: Mumbai
Date: May 2, 2018

Significant accounting policies

Note 1 – CORPORATE INFORMATION

TMF Holdings Limited (the Company) is registered as a Non-Banking Financial (Non-Deposit Accepting or Holding) Company with the Reserve Bank of India (RBI) with effect from August 9, 2006. Pursuant to application requesting for conversion of the Company to a Core Investment Company, submitted to RBI on June 23, 2017, RBI has issued a fresh Certificate of Registration of NBFC - Non Deposit taking - Systemically Important - Core Investment Company dated October 12, 2017 to the Company. The Company is a subsidiary of Tata Motors Limited. With effect from June 17, 2017, the name of the Company has changed to TMF Holdings Limited from Tata Motors Finance Limited. The Company and its subsidiaries constitute the Group.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Basis for preparation of financial statements

The Group's financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), to comply with the Accounting Standards specified under section 133 of Companies Act, 2013 and relevant prudential norms issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC) in respect of income recognition, asset classification, provisioning and other related matters. In the opinion of management, all adjustments which are necessary for a fair presentation have been included. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of annual financial statements for the year ended March 31, 2017. In case the accounting policies followed by a subsidiary are different from those followed by the Company, the same have been disclosed in the respective accounting policy.

B. Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses and disclosures of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

C. Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

D. Principle of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The consolidated financial statements have been prepared on the following basis:

1. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2018.
2. The financial statements of the Company and its subsidiaries companies are consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions are fully eliminated.
3. The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company at the dates on which the investments in the subsidiary companies is made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
4. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments.

E. The following subsidiary companies are considered in consolidated financial statements.

Sr. No.	Name of the subsidiary companies	Country of incorporation	% of holding either direct or through subsidiaries
			As at March 31, 2018
1	Tata Motors Finance Limited (formerly known as Sheba Properties Limited)	India	100%
2	Tata Motors Finance Solutions Limited	India	100%

F. Revenue recognition

1. Income on finance receivables and loans

Interest income is recognised in the statement of profit and loss on an accrual basis, except in the case of non-performing assets (NPA), where it is recognised upon realisation as per RBI norms.

Subvention received from dealers is recognised as income over the term of the contract in the ratio of interest earned. Subvention received from manufacturer is recognised as income on a straight line basis over the term of the contract. For the loan accounts closed / transferred through securitisation / direct assignment, balance unamortised amount is recognised as income at the time of such closure / transfer through securitisation / direct assignment.



Default interest is accounted on receipt basis on account of uncertainty of ultimate collection.

Loan processing fee is accounted for at the time of disbursement of loan.

2. Income from securitisation transactions

In case of securitisation, the amount of profit received in cash is recognised as a liability on an individual transaction basis and is amortised in the statement of profit and loss over the period of securities issued by Special Purpose Vehicle (SPV) in accordance with guidelines issued by the RBI.

Further, in case of securitisation transactions where the Group retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable from the SPV is capitalised as Interest Only Strip (I/O Strip). The corresponding gain is recognised in the statement of profit and loss when the I/O Strip is redeemed in cash.

Legal and incidental expenses are charged to the statement of profit and loss in the year in which the transaction is effected.

3. Income from investments

Dividend income is recognised in statement of profit and loss when the Group's right to receive the dividend is established.

Interest income on pass-through-certificates and debentures is recognised in statement of profit and loss on accrual basis.

4. Compensation towards interest loss

Compensation towards interest loss receivable from parent company is accrued and recognised as per the contractual terms when such loss occurs.

5. Utilisation of delinquency support

The Group accounts upfront the delinquency support (subvention amount) received in the statement of profit and loss.

G. Delinquency support

Delinquency support receivable from parent company, being compensation towards provision / write off of finance receivable, is credited to the statement of profit and loss as per the contractual terms when the provision / write off charge on the underlying portfolio of contracts is recognised.

H. Discount and premium on issue / redemption of debenture

Discount on issue of debentures and premium payable on redemption of debentures is amortised on straight line basis over the period of the instruments and is adjusted from

Notes to the Consolidated Financial statements for the year ended March 31, 2018

securities premium account for entities where balance in Securities Premium Account is available. Expenses incurred on issue of debentures are adjusted from securities premium account and are charged to profit and loss account for entities which does not have securities premium.

I. Share issue expenses

Share issue expenses are adjusted from securities premium account for entities where balance in securities premium account is available and is charged to profit and loss account for entities which does not have securities premium.

J. Commission to agents

Commission for sourcing of contracts through dealers is amortised over the term of the contract in the ratio of interest earned. Sourcing commission including target based commission for contracts sourced through networks other than dealers is amortised equally over the term of the contract. Further, commission on collection is charged to the statement of profit and loss when incurred.

K. Employee benefits

1. Defined contribution plans

Contributions to the Group's defined contribution plans are accounted for on an accrual basis and charged in the statement of profit and loss.

i) Provident fund

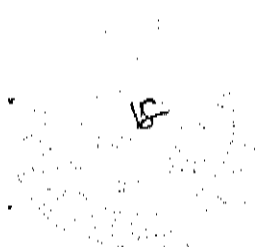
The employees are entitled to receive benefits under provident fund, where both, the employees and the Group, make monthly contributions at a specified percentage of the covered employees' basic salary. The contribution is paid to the fund managed by Tata Motors Limited (parent company), except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office. In case of Tata Motors Finance Solutions Limited, entire contribution is paid to the Regional Provident Fund office. The Group is liable for annual contribution and any shortfall to the extent of Group's share in the fund managed by 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.

ii) Superannuation

Contribution to the superannuation fund is made at 15% of basic salary for the employees who have opted to the scheme, managed by the parent company and is charged to the statement of profit and loss on accrual basis.

2. Defined benefit plans

Provision for the Group's defined benefit plans are determined using the projected unit credit method, based on an independent actuarial valuation at the end of the year. Actuarial valuation of defined benefit plans is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains and losses are charged to the statement of profit and loss in the period in which they occur.



i) Gratuity

The Group provides for gratuity to all 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.

ii) Compensated absences

The employees are entitled to accumulate leave subject to certain limits, for future encashment. The Group provides for compensated absences based on actuarial valuation conducted by an independent actuary.

L. Leases

i) Assets taken on operating lease

Operating lease rent is recognised as an expense on an accrual basis in the statement of profit and loss.

ii) Assets given on operating lease

Assets given on operating lease are included in fixed assets. Lease income is recognised in the statement of profit & loss. Costs including depreciation are recognised as an expense in the statement of profit and loss.

M. Provision for standard/non-performing assets

The Group classifies its finance receivable and loans into performing and NPAs in accordance with RBI guidelines. Provisions for finance receivables and loans are recognised as per the prudential norms issued by the RBI relating to income recognition, asset classification and provisioning. In addition to the provisioning as per the RBI norms, provisions are recognised for the losses anticipated, if any.

The Group makes a provision on all outstanding standard assets as per the prudential norms issued by the RBI as applicable.

N. Property, plant and equipment, depreciation and amortisation

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

Depreciation / amortisation is provided on the straight-line method over the useful life of the Property, plant and equipment as prescribed in the schedule II to the Companies Act, 2013 except in case of vehicles and certain class of office equipment depreciation is based on the nature, estimated usage, operating condition and past history of replacement.

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- i. Capital assets located in the leasehold premises are depreciated over the estimated useful life or five years, whichever is lower.
- ii. Software of a cost in excess of Rs. 0.25 Lacs is amortised over a period of 5 years or over their estimated useful life, whichever is lower.
- iii. Assets costing less than Rs. 5000/- are expensed off at the time of purchase.

O. Cash and Cash equivalents

Cash and Cash Equivalents comprises cash on hand, cheques/drafts on hand and cash at bank including fixed deposit with original maturity period up to three months.

P. Investments

The Group follows trade date method of accounting for purchase and sale of investments. Investments expected to mature after twelve months are taken as long term / non-current investment and stated at cost less provision for diminution, if any. Provision for diminution is recognised for decline, other than temporary, in the value of such investments. Current investments are stated at lower of cost and fair value.

Q. Taxation

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the year.

Current tax is the amount of tax payable on the taxable income for the year, as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent to that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability. In the consolidated financial statements, deferred tax assets and liabilities are computed at an individual entity level and aggregated for consolidated reporting. Deferred tax asset and liability are netted off and disclosed in the balance sheet under the head "Deferred tax asset / liability".

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the statement of profit and loss.

Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal Income tax during the specified

period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer reasonable certainty to the effect that the company will pay normal income tax during the specified period.

R. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is calculated by dividing the net profit attributable to the equity shareholders after giving impact of amount relating to dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

S. Provisions, contingent liability and contingent assets

Provisions are recognised in accounts in respect of present probable obligations arising out of past events, the amount of which can be reliably estimated. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. Provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed in respect of possible obligations that arise from the past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are neither recognised, nor disclosed in the financial statements.

T. Dividend (including dividend distribution tax)

Interim dividend declared to equity and / or preference shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final proposed dividend declared to equity and / or preference shareholders, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.



Note 3 - Share Capital

Particulars	Rs. In lakhs			
	As At March 31, 2018		As At March 31, 2017	
	Number	Amount	Number	Amount
Authorised				
Equity shares of Rs. 10 each	150,000,000	1500,00.00	1,500,000,000	1500,00.00
Preference shares of Rs. 100 each (redeemable)	75,000,000	750,00.00	75,000,000	750,00.00
		2250,00.00		225,000.00
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each	1,404,735,050	1404,73.51	1,310,020,771	1310,02.00
Cumulative, Non-participating compulsorily convertible preference share (CCPS) of Rs. 100 each	43,400,000	43,400.00	43,400,000	434,00.00
Total		1838,73.51		1753,02.00

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

Equity Shares	Rs. In lakhs			
	As At March 31, 2018		As At March 31, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,310,020,771	1310,02.00	1,310,020,771	1310,02.00
Shares issued during the year	85,714,285	85,71.43	-	-
Shares outstanding at the end of the year	1,404,735,056	1404,73.51	1,310,020,771	1310,02.00

b) Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting year

Cumulative, Non-participating CCPS	Rs. In lakhs			
	As At March 31, 2018		As At March 31, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	43,400,000	434,00.00	43,400,000	434,00.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	43,400,000	434,00.00	43,400,000	434,00.00

c) As at March 31, 2018 and March 31, 2017 all equity shares were held by Tata Motors Limited (TML), the holding company and its nominees.

d) None of the Cumulative non-participating CCPS as at March 31, 2018 and March 31, 2017 were held by TML, their subsidiaries and associates.

e) Terms/rights attached to equity shares

The Company has issued only one class of equity shares having a face value of Rs. 10 per share. Each equity share holder is entitled to one vote per share. Equity share holders are also entitled for the dividend as proposed by the Board of Directors and approved in the Annual General Meeting. In the event of liquidation of the Company, equity share holders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

f) Terms/rights attached to preference shares

The Company has cumulative, non-participating Compulsorily Convertible Preference Shares (CCPS) having a face value of Rs. 100 each. The holders of the CCPS are entitled for dividend @ 3% 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 closing date. The conversion ratio of the CCPS shall be 2.15: 1. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.

g) Details of shares held by each shareholder holding more than 5% of shares:

Particulars	As At March 31, 2018				As At March 31, 2017			
	Number		Percentage		Number		Percentage	
Equity shares with voting rights								
Tata Motors Limited and its nominees	1,404,735,056	100.00			1,310,020,771	100.00		
Cumulative, Non-participating CCPS								
HDFC Standard Life Insurance Company Limited	13,000,000	29.95			13,000,000	29.95		
Apurva Goswamy	2,200,000	5.07			2,200,000	5.07		

TMF HOLDINGS LIMITED
(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018
Note 4 - Reserves & surplus

Particulars	Rs. in lakhs	
	As At March 31, 2018	As At March 31, 2017
a. Securities premium account		
Opening balance		1123,20.73
Add: Premium on equity shares issued	969,17.86	-
Less: Debentures / shares issue expenses (Gross Rs 1,72.77 lakhs, net of tax of Rs 28.65 Lakhs; March 2017 Gross Rs 5,70.45, net of tax of Rs. 20.01 lakhs)	214,28.57	5,50.44
Less: Amortisation of premium on redemption (gross Rs. 342,06.41 lakhs, net of tax of Rs. 118,38.15 lakhs; March 2017 Gross Rs. 227,12.91 lakhs, net of tax of Rs. 78,60.48 lakhs)	1,44.12	148,52.43
Closing balance	958,34.05	969,17.86
b. Special reserve (note 1)		
Opening balance		232,62.99
Add: Transfer from surplus in the statement of profit and loss	250,97.70	18,34.71
Closing balance	320,14.36	250,97.70
c. Surplus/(deficit) in the statement of profit and loss		
Opening balance		(128,28.81)
Add: Net (loss)/profit for the year	(1336,35.51)	(1182,29.21)
Less: Transfer to special reserve	217,41.27	18,34.71
Less: Interim preference share dividend	69,16.66	6,51.17
Less: Equity dividend (note 2)	-	-
Less: Preference dividend (note 2)	26,38.04	-
Less: Interim dividend on equity shares (note 3)	24,96.00	-
Less: Tax on dividend on equity shares and preference shares	37,36.60	91.61
Less: Tax on dividend on equity shares and preference shares	4.93	-
Not (deficit) in the statement of profit and loss	(1276,86.47)	(1336,35.51)
Total	1,61.94	(116,19.95)

1. Represents reserve created in terms of section 45-IC of the Reserve Bank of India Act, 1934.

2. The Board of Directors, at its meeting held on May 19, 2017 recommended a final dividend of Rs. 0.20 per Equity Share and pro-rata dividend of Rs 1.50 per CCPS for financial year ended on March 31, 2017. The dividend has been declared in the Annual General Meeting held on July 26, 2017 and has been paid on July 31, 2017.

3. The Board of Directors, at its meeting held on March 26, 2018 recommended an interim dividend of Rs. 0.26 per Equity Share. The dividend has been paid on April 3, 2018.

4. The Board has recommended a dividend of Rs. 0.45 per equity share of Rs. 10 each (4.5%) and Rs. 3 per CCPS of Rs. 100 each (3%), subject to approval of the members of the company at the forthcoming annual general meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Company has not appropriated proposed dividend (including tax) from Statement of Profit and Loss for the year ended March 31, 2018.

TMF HOLDINGS LIMITED

(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 5 - Long-term borrowings

Particulars	Rs. In lakhs	
	As At March 31, 2018	As At March 31, 2017
(I) Debentures		
Secured		
(a) Privately placed non-convertible debentures [gross of accreted value of premium on redemption of Rs. 109,41.24 lakhs (March 31, 2017: Rs. 121,17.51 lakhs)]	1886,41.23	2356,03.49
Unsecured		
(a) Privately placed non-convertible debentures [gross of accreted value of premium on redemption of Rs. 87,09.33 lakhs (March 31, 2017: Rs. 15,02.64 lakhs)]	837,09.33	765,02.64
(b) Privately placed non-convertible subordinated debentures	1184,90.00	1134,90.00
(c) Privately placed non-convertible debentures	-	500,00.00
(e) Privately placed non-convertible subordinated perpetual debentures	375,30.00	375,30.00
	4283,70.56	5131,26.13
(II) Term loans from banks		
(a) Secured	4274,10.71	3396,42.86
(b) Unsecured	1925,00.00	2550,00.00
	6199,10.71	5946,42.86
Total	10482,81.27	11077,68.99

1. Nature and extent of security created and maintained for secured NCDs (privately placed)

(A) Nature:

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

- i) Company's residential flat;
- ii) All receivables of the Company arising out of loan and lease transactions;
- iii) All other book debts, trade advances forming part of movable property of the Company; and
- iv) Any other security as identified by the Company and acceptable to the debenture trustee.

(B) Extent:

The minimum security of 100 % for the NCDs outstanding has been maintained.

2. Nature of security for term loans from banks

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

- a) All receivables of the Company arising out of loan, lease and hire purchase transactions;
- b) All other book debts;
- c) Receivables from senior and junior pass-through-certificates in which Company has invested; and
- d) such other current assets as may be identified by the Company from time to time and accepted by the relevant lender/security trustee.

3. Terms of repayment for term loans

Term Loan from banks have different maturity pattern. Tenure of such loans ranges between 1 year 11 months to 5 years. Majority of the term loans are borrowed at a floating rate of interest linked to bank's base rate plus spread with quarterly/half-yearly/yearly reset option. On the reset date, the Company has an option to repay the loans.

TMF HOLDINGS LIMITED
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Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Terms of repayment of bonds/debentures outstanding as at March 31, 2018

A. Privately placed Non-Convertible Debentures (including Zero Coupon Debentures) - Face value of Rs. 10 Lakhs each (Redeemable at par) except otherwise stated

Particulars	Rs. in Lakhs	Redemption Date
9.00% Non Convertible Debentures "W" FY 2016-17	1,00.00	July 28, 2021
9.30% Non Convertible Debentures "S" FY 2016-17	22,00.00	June 28, 2021
9.20% Non Convertible Debentures "K" FY 2016-17	42,00.00	June 10, 2021
9.20% TMFL Zero Coupon Debentures "M" FY 2016-17*	7,76.58	June 10, 2021
9.20% Non Convertible Debentures "G" FY 2016-17	10,00.00	May 13, 2021
9.20% Non Convertible Debentures "C" FY 2016-17	20,00.00	April 6, 2021
9.25% Non Convertible Debentures "M" FY 2015-16	40,00.00	December 17, 2020
7.78% TMFL Zero Coupon Debentures "I" FY 2017-18*	189,08.10	August 25, 2020
8.32% TMFL Zero Coupon Debentures "D" FY 2017-18*	460,45.33	July 10, 2020
8.40% TMFL Zero Coupon Debentures "C" FY 2017-18*	318,51.03	June 2, 2020
8.40% TMFL Zero Coupon Debentures "B" FY 2017-18*	369,22.71	May 27, 2020
9.10% Non Convertible Debentures "J" FY 2015-16	10,00.00	November 19, 2019
9.85% Non Convertible Debentures "D" FY 2014-15	100,00.00	October 17, 2019
9.85% Non Convertible Debentures "A" FY 2014-15	55,00.00	October 10, 2019
9.00% TMFL Zero Coupon Debentures "V" FY 2016-17*	64,67.50	July 23, 2019
9.30% Non Convertible Debentures "T" FY 2016-17	69,00.00	June 28, 2019
9.20% Non Convertible Debentures "L" FY 2016-17	20,00.00	June 10, 2019
9.20% Non Convertible Debentures "J" FY 2016-17	20,00.00	May 31, 2019
TMFL Zero Coupon Debentures "H" FY 2015-16*	6,76.02	May 6, 2019
7.99% TMFL Zero Coupon Debentures "A" FY 2017-18*	145,77.31	April 24, 2019
TMFL Zero Coupon Debentures "L" FY 2015-16*	46,93.99	April 11, 2019
9.20% Non Convertible Debentures "B" FY 2016-17	73,00.00	April 8, 2019
9.20% TMFL Zero Coupon Debentures "A" FY 2016-17*	32,52.29	April 3, 2019
10.25% Non Convertible Debentures "X" FY 2013-14	20,00.00	March 20, 2019
10.25% Non Convertible Debentures "AF" FY 2013-14	5,00.00	March 19, 2019
9.35% TMFL Zero Coupon Debentures "E" FY 2016-17*	646,44.95	March 12, 2019
10.25% Non Convertible Debentures "V" FY 2013-14	15,00.00	March 5, 2019
TMFL Zero Coupon Debentures "AC" FY 2013-14*	21,06.27	February 27, 2019
10.25% Non Convertible Debentures "M" FY 2013-14	20,00.00	January 10, 2019
8.05% Non Convertible Debentures "AC" FY 2016-17	100,00.00	December 28, 2018
9.25% Non Convertible Debentures "N" FY 2015-16	85,00.00	December 17, 2018
7.86% Non Convertible Debentures "AA" FY 2016-17	200,00.00	December 2, 2018
TMFL Zero Coupon Debentures "K" FY 2015-16*	18,21.51	November 26, 2018
7.95% Non Convertible Debentures "Z" FY 2016-17	50,00.00	November 25, 2018
TMFL Zero Coupon Debentures "E" FY 2015-16*	130,10.51	October 15, 2018
TMFL Zero Coupon Debentures "B" FY 2015-16*	42,99.23	October 8, 2018
TMFL Zero Coupon Debentures "D" FY 2015-16*	145,01.97	September 25, 2018
8.58% Non Convertible Debentures "Y" FY 2016-17	100,00.00	August 17, 2018
9.20% Non Convertible Debentures "U" FY 2016-17	230,00.00	July 20, 2018
9.00% Non Convertible Debentures "X" FY 2016-17	50,00.00	June 28, 2018
9.20% Non Convertible Debentures "N" FY 2016-17	10,00.00	June 10, 2018
9.20% TMFL Zero Coupon Debentures "O" FY 2016-17*	4,76.76	June 8, 2018
9.20% TMFL Zero Coupon Debentures "F" FY 2016-17*	130,66.60	April 27, 2018
	4147,98.66	
Less: Unamortised premium on redemption	301,25.54	
Total	3846,73.12	
Less: Current portion of long-term borrowings	1960,31.89	
Total	1886,41.23	

* 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.

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TMF HOLDINGS LIMITED
(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

TMF HOLDINGS LIMITED

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

B. Privately placed unsecured, unlisted Non-convertible debentures (Including zero coupon debentures) - face value of Rs. 10 lakhs each

Particulars	Rs. in Lakhs	Redemption Date
8.60% TMFL Zero Coupon Debentures "E" FY 2016-17*	131,24.75	May 12, 2020
8.85% TMFL Zero Coupon Debentures "C" FY 2016-17*	230,78.58	April 15, 2020
8.85% TMFL Zero Coupon Debentures "B" FY 2016-17*	98,44.98	March 26, 2020
8.60% TMFL Zero Coupon Debentures "D" FY 2016-17*	102,08.03	January 24, 2020
8.85% TMFL Zero Coupon Debentures "A" FY 2016-17*	322,42.27	January 10, 2020
9.8388% Non Convertible Debentures "B" FY 2015-16	500,00.00	July 30, 2018
	1474,98.61	
Loss: Unamortised premium on redemption	137,89.28	
Total	1337,09.33	
Loss: Current portion of long-term borrowings	500,00.00	
Total	837,09.33	

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

C. Privately placed Subordinated Non Convertible Unsecured Redeemable Debentures

Particulars	(Rs. in lakhs)	Redemption Date
Face value of Rs. 10 Lakhs each (Redeemable at par)		
8.35% TMFL - Tier II Debentures - "A" FY 2017-18	50,00.00	November 13, 2027
9.70% TMFL - Tier II Debentures - "C" FY 2014-15	150,00.00	December 19, 2024
10.35% TMFL - Tier II Debentures - "B" FY 2014-15	60,00.00	September 26, 2024
10.60% TMFL - Tier II Debentures - "A" FY 2014-15	25,00.00	September 12, 2024
10.15% TMFL - Tier II Debentures - "A" FY 2013-14	55,10.00	May 28, 2023
9.85% TMFL - Tier II Debentures - "B" FY 2013-14	100,00.00	May 24, 2023
10.46% TMFL - Tier II Debentures - "C" FY 2012-13	28,00.00	December 28, 2022
Face value of Rs. 5 Lakhs each (Redeemable at par)		
10.65% TMFL - Tier II Debentures - "B" FY 2012-13	25,00.00	August 3, 2022
11.00% TMFL - Tier II Debentures - "A" FY 2012-13	37,40.00	May 22, 2022
11.00% TMFL - Tier II Debentures - "C" FY 2011-12	10,00.00	March 26, 2022
11.00% TMFL - Tier II Debentures - "B" FY 2011-12	69,15.00	March 2, 2022
11.00% TMFL - Tier II Debentures - "A" FY 2011-12	75,30.00	September 17, 2021
10.70% TMFL - Tier II Debentures - "D" FY 2009-10	111,00.00	April 28, 2020
10.70% TMFL - Tier II Debentures - "C" FY 2009-10	100,00.00	April 10, 2020
10.75% TMFL - Tier II Debentures - "B" FY 2009-10	88,95.00	March 25, 2020
10.90% TMFL - Tier II Debentures - "A" FY 2009-10	200,00.00	January 20, 2020
	1184,90.00	

D. 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	

Terms of redemption:

Redemption period is not applicable as the NCDs are perpetual. The Group has a call option which can be exercised, with 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 basis points.

TMF HOLDINGS LIMITED

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Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 6 - Other long-term liabilities

Particulars	Rs. in lakhs	
	As At March 31, 2018	As At March 31, 2017
Income received in advance	100,53.01	20,69.87
Unrealised gain on loan transfer transactions	20,63.73	16,73.15
Interest accrued but not due	16,95.89	-
Deposits (not covered in section 2(31) of Companies Act, 2013)	2,72.53	2,37.96
Total	140,84.96	38,80.98

Note 7 - Provisions

Particulars	Rs. in lakhs	
	As At March 31, 2018	As At March 31, 2017
A) Long-term provisions		
Provision for employee benefits	9,04.44	9,70.36
Provision for indirect tax related contingencies	112,14.56	112,05.88
Provision for finance receivables	66,06.88	171,61.72
Contingent provisions against standard assets	60,18.85	38,75.89
Total	248,34.73	332,13.85
B) Short-term provisions		
Provision for employee benefits	1,09.99	54.49
Provision for income tax, net of advances	20,29.30	1,30.53
Contingent provisions against standard assets	42,79.20	32,69.02
Provision for finance receivables	265,60.57	912,42.59
Total	329,79.06	946,96.63

Movement of provisions (long-term and short-term)

a. Provision for indirect taxes related contingencies

Particulars	Rs. in lakhs	
	As At March 31, 2018	As At March 31, 2017
Opening Balance	112,05.88	1,98.73
Add: Provision/(reversal)	8.68	110,07.15
Loss: Utilisation	-	-
Closing Balance	112,14.56	112,05.88

The expected settlement period depends on relevant judgement of authorities in similar matters.

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TMF HOLDINGS LIMITED
(CIN - U65923MH2006PLC162503)
Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018
Note 8 - Short-term borrowings

Particulars	Rs. in lakhs	
	As At March 31, 2018	As At March 31, 2017
(i) Loans from banks repayable on demand Cash Credit [including Working Capital Demand Loan (WC DL)] (secured) (refer note 1)	2096,04.01	1413,86.77
(ii) Inter corporate deposits (unsecured) from other than related parties	30,00.00	-
(ii) Commercial Papers (Unsecured) [net of unamortised discounting charges Rs. 101,83.80 lakhs (March 31, 2017: Rs. 76,28.32 lakhs) ranging from 6.94% to 8.15% (March 31, 2017: 6.25% to 9.55%)] (maximum amount outstanding Rs. 10295,00 lakhs (March 31, 2017: Rs. 7025,00 lakhs))	9153,16.20	4907,43.92
Total	11279,20.21	6321,30.69

1. Cash credit (including WC DL) 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 hire purchase transactions, 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 9 - Trade payables

Particulars	Rs. in lakhs	
	As At March 31, 2018	As At March 31, 2017
Dues to micro, small and medium enterprises (note 1)	-	-
Dues to others (note 2)	197,84.33	184,67.74
Total	197,84.33	184,67.74

1. Amount due to micro enterprises and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Group. This has been relied upon by the auditors.

2. Includes provision of Rs. 72.78 lakhs (March 31, 2017: Rs. 79.29 lakhs) on account of pending litigation.

Note 10 - Other current liabilities

Particulars	Rs. in lakhs	
	As At March 31, 2018	As At March 31, 2017
Current maturities of long-term debt (Refer footnote 1 to note 5)		
Privately placed non-convertible debentures (secured) [gross of accreted value of premium on redemption of Rs. 189,31.89 lakhs (March 31, 2017: Rs. 90,81.06 lakhs)]	1960,31.89	1857,01.22
Privately placed non-convertible debentures (Unsecured)	500,00.00	500,00.00
Term loans from banks (Refer footnote 2 to note 5)		
Secured	514,82.14	41,07.14
Unsecured	375,00.00	550,00.00
	3350,14.03	2948,08.36
Interest accrued but not due on borrowings	153,98.62	202,41.81
Income received in advance	34,61.83	13,46.44
Unrealised gain on loan transfer transactions	52,88.36	41,96.10
Payable to investors of assigned/secured receivables	105,14.35	73,92.31
Current dues of long term employee benefits	14,78	1,46.73
Statutory dues	29,73.86	11,18.31
Advance received towards issue of equity shares	-	-
Interim dividend equity	37,36.60	-
Other Liabilities	186,69.84	176,69.02
Total	3950,52.27	3469,19.88

TMF HOLDINGS LIMITED
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Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 11 Tangible assets

Particulars	Gross Block			Depreciation			Net Block Balance as at March 31, 2018
	Balance as at April 1, 2017	Additions	Deletions	Balance as at March 31, 2018	Depreciation for the year	Deletions	
Office Premises/Residential flat	40,53.62	-	-	40,53.62	64.06	-	4,01.71
Office Premises/Residential flat- given on lease	40,53.62	-	-	40,53.62	63.69	-	3,37.65
Plant & Machinery - given on lease	7,53.06	-	-	7,53.06	10.46	-	3,54.56
Furniture and fixtures	3,15.06	-	-	3,15.06	-	-	3,44.03
Vehicles	54,97.21	1,12.25	17.88	55,91.58	5,59.85	13.45	3,15.06
Vehicles given on operating lease	53,81.41	1,17.24	1.44	54,97.21	8,14.27	0.56	44,60.47
Office equipments	6,18.07	2,46.97	79.16	7,83.88	1,39.27	37.43	39,34.06
Data processing machines	7,39.45	1,56.75	2,60.13	6,16.07	1,45.22	2,45.83	3,29.83
	8,13.75	25,00.31	1,91.15	31,22.91	3,70.26	1,29.73	6,03.64
	12,41.21	1,94.14	6,21.60	8,13.75	4,56.82	3,87.51	3,56.11
	35,85.63	5,36.55	4,37.52	36,84.70	2,78.50	3,13.57	29,42.43
	34,53.22	1,32.41	-	35,85.63	5,10.61	-	29,77.55
	13,34.13	2,49.34	54.04	15,29.43	1,42.00	-	12,75.32
	12,29.10	1,06.03	-	13,34.13	59.45	-	11,33.32
Total	169,68.53	36,45.46	7,79.75	198,34.24	15,64.43	4,94.18	108,30.23
As at March 31, 2017	171,65.13	7,06.57	9,03.17	169,68.53	18,88.06	6,33.90	97,59.98

1. Office premises/residential flat include Rs. 1,000/- being value of investment in 20 shares of Rs. 50/- each in Milgini Upvan Co-operative Housing Society Limited, certificate in respect of which is yet to be received.

2. Office premises/residential flat given on lease include Rs. 500/- being value of investment in 10 shares of Rs. 50/- each in Palloxy Manston Co-operative Housing Society Limited.

Note 12 - Intangible assets - other than internally generated

Particulars	Gross Block			Amortisation			Net Block Balance as at March 31, 2018
	Balance as at April 1, 2017	Additions	Deletions	Balance as at March 31, 2018	Amortisation for the Year	Deletions	
Computer Software	15,93.30	8,22.54	-	24,15.84	2,70.82	-	17,07.35
	15,33.30	60.00	-	15,93.30	2,55.68	-	14,36.54
Total	15,93.30	822.54	-	24,15.84	2,70.82	-	17,07.35
As at March 31, 2017	15,33.30	60.00	-	15,93.30	2,55.68	-	14,36.54

1. Total depreciation and amortisation for the year ended March 31, 2018 was Rs. 18,35.25 lakhs (year ended March 31, 2017: Rs. 21,43.74 lakhs).

2. Amounts in italics pertain to previous year ended March 31, 2017.

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TMF HOLDINGS LIMITED

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Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 13 (a) - Non-current investments (at cost unless otherwise stated)

Rs. in lakhs

Particulars	Rs. in lakhs	
	As At March 31, 2018	As At March 31, 2017
Equity shares	87,38.91	98,20.46
Preference shares	2,89.98	2,89.98
Debentures and bonds	205,16.10	88,45.49
Trust securities	12,48.11	12,58.37
Senior pass-through-certificates	32,76.41	23,34.13
	340,69.51	225,48.43
Less - Provision for diminution	4,78.50	8,11.23
	335,91.01	217,37.20

Note 13 (b) - Current investments (at lower of cost or net realisable value)

Rs. in lakhs

Particulars	Rs. in lakhs	
	As At March 31, 2018	As At March 31, 2017
Debentures and bonds [net of provision of Nil (March 31, 2017: Rs. 12.21 lakhs)]	2,18.13	3,85.34
Mutual funds (at cost or fair value whichever is lower) (Unquoted)	50,00.00	405,90.67
Senior pass-through-certificates	39,54.94	29,68.48
Pass through certificates [net of provision of Rs. 55.80 lakhs (March 31, 2017: Rs. 1.03 lakhs)]	1088,96.81	548,91.47
	1180,69.88	988,35.96

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Note 14 (a)
Tax Expense

Particulars	Rs. In lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Current tax	14,63.30	-
MAT credit	(19,15.20)	-
Provision/(excess provision) relating to prior years	1,07.63	-
Tax impact of items routed through reserves	118,66.80	78,60.48
Deferred Tax Expense	(42,35.93)	405,12.59
Net tax expense	72,86.60	483,73.07

Note 14 (b)
Deferred tax assets (net)

Major components of deferred tax arising on account of timing differences

Rs. In lakhs

Particulars	As At April 1, 2017	Charge /(Credit) for the period/year	As At March 31, 2018
Assets			
Provision for doubtful finance receivables, other loans and advances and standard assets	2,16.21	(135,20.18)	137,44.30
	424,48.00	422,31.70	2,16.21
Retirement benefits/expenses allowable on payment basis	16.38	(3,51.66)	3,66.04
	2,56.80	2,40.42	16,38
Disallowances u/s 43B of the Income Tax Act, 1961	2.40	(30,11.32)	38,13.72
	47.30	44.99	2.40
Total	2,34.99	(177,91.16)	180,26.15
	427,52.19	425,17.20	2,34.99
Liabilities			
Depreciation	35.77	109,02.23	(108,66.46)
	7,06.26	6,70.49	35.77
DSA/Dealer commission claimed on incurrence basis	(57.33)	26,18.66	(26,75.99)
	(27,52.44)	(26,95.11)	(57.33)
Others	-	34.34	(34.34)
Total	(21.56)	135,55.23	(135,76.79)
	(20,46.18)	(20,24.62)	(21.56)
Net deferred tax assets/(liabilities)	2,13.43	(42,35.93)	44,49.36
<i>Previous year</i>	<i>407,06.01</i>	<i>404,92.58</i>	<i>2,13.43</i>

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TMF HOLDINGS LIMITED

(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 15 - Finance receivables

Rs. in lakhs

Particulars	As At March 31, 2018	As At March 31, 2017
A) Finance receivables - non-current		
Vehicle loans (note 1)		
To others		
Secured, considered good	14410,56.64	10002,48.94
Considered doubtful	66,96.88	171,61.72
Total	14477,53,52	10174,10,66
B) Finance receivables - current		
Vehicle loans (note 1)		
To others		
Secured, considered good	8568,43.94	8567,17.64
Considered doubtful	265,60.57	912,42.59
Total	8834,04,51	9479,60,23

1. Vehicle loans are secured against hypothecation of the underlying vehicle.

Note 16 - Long-term loan and advances

Rs. in lakhs

Particulars	As At March 31, 2018	As At March 31, 2017
Unsecured, considered good		
Capital advances	6,16.84	1,64.24
Security deposits	11,07.59	13,03.87
Other loans and advances		
Loans to employees	0.41	0.42
Advance payment of income tax, net of provisions	225,90.98	131,76.74
Taxes paid under protest	3,96.73	-
Loans to others	-	1,77.18
Secured considered good		
Loans to others	292,34.42	215,45.65
Total	539,46,95	363,68,10

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TMF HOLDINGS LIMITED

(CIN - U65923MH2006PLC102503)

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Note 17 - Other non-current and current assets

Rs. in lakhs

Particulars	As At March 31, 2018	As At March 31, 2017
A) Other non-current assets		
Unsecured, considered good		
Margin money/cash collateral with banks (note 19)	104,06.46	73,45.40
Interest only Strip	20,63.73	15,73.15
Prepaid expenses	34,05.56	3,36.43
Interest accrued but not due	2,50.31	2,37.47
Total	161,35.06	94,92.45
B) Other current assets		
Unsecured, considered good		
Interest only Strip	52,68.36	41,06.10
Interest accrued but not due	20,07.03	4,37.37
Prepaid expenses	59,91.59	63,26.11
Interest accrued on loans and advances	5,33.15	1,67.67
Stamp papers	5,37.10	2,83.35
Receivable towards refund of application money	71,51.59	131,04.84
Receivables in respect of mutual fund redemption	-	1,36.25
Total	214,88.82	246,51.69

Note 18 - Trade receivables

Rs. in lakhs

Particulars	As At March 31, 2018	As At March 31, 2017
Receivables on account of service charges, incentives and others (unsecured, considered good)		
From related parties (note 31)		
Not due	-	217,48.87
Due for less than 6 months	1045,84.63	268,75.18
From others (due for less than 6 months)	8,62.97	3,10.30
Total	1054,47.60	489,34.35

Note 19 - Cash and cash equivalents

Rs. in lakhs

Particulars	As At March 31, 2018	As At March 31, 2017
Cash and cash equivalents (as per AS 3-Cash Flow Statements)		
Cash on hand	24,13.44	28,28.67
Cheques / drafts on hand	152,52.82	104,06.10
Balances with banks - current accounts	296,80.01	236,79.72
Deposits with banks	35,00.00	325,49.60
Total - cash and cash equivalents (as per AS 3 - Cash Flow Statements) (A)	508,46.27	694,64.09
Other bank balances		
Margin money/ cash collateral with banks	145,77.61	73,45.40
Deposits with banks	600,00.00	600,00.00
Total - other bank balances (B)	745,77.61	673,45.40
Loss: Margin money/cash collateral with banks having residual maturity of more than 12 months (Refer note 17) (C)	104,06.46	73,45.40
Total cash and cash equivalents (A+B-C)	1150,17.42	1294,64.09

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TMF HOLDINGS LIMITED
(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 20 - Short-term loans and advances

Rs. in lakhs

Particulars	As At March 31, 2018	As At March 31, 2017
Unsecured, considered good unless otherwise stated		
Security deposits		
Considered good	29.47	1,97.62
Doubtful	92.34	36.62
	1,21.81	2,34.24
Less: Provision for doubtful security deposits	92.34	36.62
	29.47	1,97.62
 Loans/advances to employees	 88.63	 68.70
Loans/advances		
To related parties	15,94.16	-
To others - considered good	447,02.47	185,86.74
- doubtful	14.60	-
Less: Provision for doubtful loans	14.60	-
	462,96.63	18,586.74
Other advances		
To Others - considered good	38,99.02	77,73.17
- doubtful	24,16.05	7,99.70
Less: Provision for doubtful advances	24,16.05	7,99.70
	38,99.02	77,79.51
Secured, considered good	139,17.08	111,39.05
Total	642,30.83	377,71.62

TMF HOLDINGS LIMITED
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Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 21 - Revenue from operation

Particulars	Rs. in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income		
Interest Income from finance receivables	2307,59.58	2135,97.24
Interest from other loans and advances	117,70.00	70,46.27
Interest from other investments	17,67.10	1,61.34
	2443,06.26	2208,04.85
Net income on assignment / securitised receivables	37,89.54	24,20.21
Loan processing fees and other charges	79,80.57	58,27.98
Interest income on pass-through-certificates investment	81,03.62	33,32.51
Interest income on margin money / cash collateral with banks	5,40.97	4,15.62
Compensation towards interest loss	26,95.96	168,09.17
Service charges	3,27.43	4,06.14
Support services income	82,58.86	55,19.34
Others	10,55.70	30,89.88
	324,42.65	372,20.85
Total	2767,48.91	2580,25.70

Note 22 - Other Income

Particulars	Rs. in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income:		
On inter-corporate deposits	20.41	23.01
On bank deposits (gross)	40,88.60	40,80.15
On income tax refund	1,03.17	9,20.93
Net gain on sale of current investments	25,39.94	38,25.85
Gain on redemption of long term investments	90.88	15,84.95
Recovery of bank charges (net of bank charges incurred and service tax thereon of Rs. 10,51,29 lakhs; for the year ended March 2017; Rs. 11,08,47 lakhs)	10,74.74	11,61.00
Provision written back	17,53.82	5,47.03
Dividend Income	4,05.80	4,05.48
Miscellaneous receipts	7,20.60	5,10.74
Total	108,03.85	140,25.34

Note 23 - Employee benefits expenses

Particulars	Rs. in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Salaries	272,31.99	200,00.92
Contributions to employee benefit funds	10,06.87	14,26.12
Staff welfare expenses	23,36.00	13,10.70
Total	306,75.85	227,46.83

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TMF HOLDINGS LIMITED

(CIN - U88923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 24 - Other expenses

Particulars	Rs. in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Electricity	7,00.53	7,74.21
Rent (net of recoveries)	17,77.10	21,33.31
Repairs & maintenance	4,23.04	5,21.36
Insurance	1,00.45	03.20
Rates and taxes	1,01.41	31,04.00
Incentive/commission	107,48.85	102,38.00
Information technology/consultancy expense	83,05.13	78,46.89
Service providers Fees	142,72.41	100,40.32
Payment to Auditors (Note (i))	1,80.00	154.48
Provisions and write-offs:		
Provision for doubtful loans and advances (others)	15,08.21	(5,04.62)
Provision for doubtful finance receivables	(753,93.88)	(245,28.02)
Less: Delinquency support	587,78.68	(73,99.85)
Finance receivables written off (net of recoveries of Rs. 255,08,33 lakhs. for the year ended March 31, 2017; Rs. 85,28,12 lakhs)	2451,23.84	1740,21.42
Less: Delinquency support	(2063,54.08)	(440,78.45)
Total	236,60.77	981,10.48
Crystallised claim right liability	-	400,00.00
Less - Claim right provision reversal	-	(400,00.00)
Provisions on standard assets	31,53.14	16,27.75
Provision for diminution in the value of Investment	(2,90.17)	3,24.47
Provision on consumer disputes	56.45	79.28
Loss on sale of assets (net)	1,75.59	1,35.58
Support services charges	34.94	8,40.10
Corporate social responsibility expense	1,89.21	1,62.15
Other expenses	167,83.83	140,29.07
Total	804,87.64	1589,94.63

(i) Auditors' remuneration (excluding service tax)

Particulars	Rs. in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
As Auditors - Statutory audit	1,30.02	1,11.74
Tax audit	13.15	14.78
For other Services	25.75	21.80
Reimbursement of out of pocket expenses	14.44	0.36
Total	1,89.96	1,54.48

Note: The above includes fee towards audit of first quarter and Tax Audit for the year ended March 31, 2017 paid to erstwhile auditors

Note 25 - Finance costs

Particulars	Rs. in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense	987,53.33	1218,80.34
Discounting charges on commercial paper	448,81.08	350,46.98
Other borrowing costs	10,01.74	4,85.66
Total	1486,26.15	1580,21.98

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26. Earnings per share

Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20 – Earnings per share. Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period. The diluted earnings per equity share is computed by dividing the net profit after tax as adjusted for dividend related to dilutive potential equity shares by the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year.

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

Particulars	Rs. in lakhs, except per share data	
	Year ended March 31, 2018	Year ended March 31, 2017
Basic		
Weighted average no. of equity shares outstanding	1,321,134,274	1,319,020,771
Net profit attributable to equity share holders	179,53.62	(1196,60.63)
Basic earnings per share (Rs.)	1.36	(9.07)
Diluted		
Weighted average no. of equity shares outstanding	1,321,134,274	1,319,020,771
Net profit	179,53.62	(1196,60.63)
Diluted earnings per share (Rs.)	1.36	(9.07)
Face value per share (Rs.)	10.00	10.00

For the year ended March 31, 2018 and March 31, 2017, the effect of compulsorily convertible preference shares (CCPS) was anti-dilutive. Hence, CCPSs were ignored in calculation of diluted earnings per share.

27. Operating lease

a. Assets taken on lease

The Group has entered into cancellable operating lease arrangements for commercial properties. Total lease payment recognized in the statement of profit and loss for the year ended March 31, 2018 was Rs. 25,13.79 lakhs (March 31, 2017: Rs. 19,97.98 Lakhs).

b. Assets given on lease

The Group has entered into non-cancellable operating lease arrangements for passenger vehicles. Maturity pattern of future minimum lease receivable is given below.

Particulars	Rs. in lakhs	
	At March 31, 2018	At March 31, 2017
Not later than one year	4,38.76	1,68.87
later than one year and not later than five years	12,47.39	1,59.55
Total	16,86.15	3,28.42

28. Contingent liabilities and commitments

a. Contingent liabilities to the extent not provided for - Claims against the Group not acknowledged as debts:

Particulars	Rs. in lakhs	
	At March 31, 2018	At March 31, 2017
In respect of income tax matters	1.67	33.68
In respect of value added tax and entry tax matters	1,09.54	1,21.73
In respect of service tax matters	60,09.79	5,23.33
In respect of pending consumer disputes	6,02.84	8,85.90
In respect of statutory bonus under Payment of Bonus (Amendment) Act, 2015	26.15	26.15
Total	67,49.99	15,90.79

Other money for which the Group is contingently liable:

Particulars	Rs. in lakhs	
	At March 31, 2018	At March 31, 2017
Cash collateral with banks in respect of finance receivables assigned/securitised	145,77.61	73,45.40
In respect of guarantees given by banks for liability against receivables assigned by way of securitisation	125,10.63	109,85.00
In respect of guarantees given by banks for liability against insurance portal business	1,50.00	3,10.00
In respect of guarantees given by banks for CST and VAT registration	18.80	13.60
In respect of guarantees given by banks for Income tax matters	93.00	-

b. Commitments

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 3,60.60 lakhs (at March 31, 2017: Rs. 3,49.91 lakhs).
- ii. Loan commitment towards vehicle financing Rs. 2,87.43 lakhs (at March 31, 2017: Rs. 63.09 lakhs).
- iii. Commitment for investment amounted to Rs. 2,27.59 lakhs (at March 31, 2017: Rs. 63.17 lakhs).

The Group's pending litigations comprise of claims against the Company and its subsidiaries primarily by the customers and proceedings pending with tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on its financial position at March 31, 2018. The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

29. Segment

The Group has been operating only in one segment viz, financing activities and the operations being only in India, the disclosure requirements of Accounting Standard-17 Segment Reporting are not applicable.

30. Employee benefits

1. Defined benefits plans

Particulars	Rs. in lakhs	
	Gratuity	Compensated absence
Components of expense recognised in the statement of profit and loss		
Current service cost	6,52.76	1,63.92
	5,46.80	1,44.59
Interest cost	3,31.38	69.04
	3,12.12	58.94
Expected return on plan assets	(3,48.95)	-
	(1,52.72)	-
Actuarial losses/(gains)	(7,57.19)	(37.23)
	(2,05.93)	2,29.05
Total expense recognised in the statement of profit and loss	(1,22.00)	1,95.73
	5,00.27	4,32.58
Actual contribution and benefit payments		
Actual benefit payments	(1,62.93)	(1,45.47)
	(2,32.50)	(1,61.02)
Actual contributions	1,40.47	-
	(5,28.35)	(2,12.44)
Net asset/(liability) recognised in the balance sheet at respective year ends and experience adjustments		
Defined benefit obligation		
March 31, 2018	(45,38.51)	(10,14.44)
March 31, 2017	(36,42.03)	(7,82.96)
March 31, 2016	(39,58.74)	(8,12.68)
March 31, 2015	(32,28.20)	(6,67.00)
March 31, 2014	(23,50.06)	(5,01.67)
Fair value of plan assets		
March 31, 2018	46,61.25	N.A.
March 31, 2017	43,70.94	N.A.
March 31, 2016	32,01.49	N.A.
March 31, 2015	25,73.41	N.A.
March 31, 2014	25,06.63	N.A.
Net asset/(liability) recognised in balance sheet		
March 31, 2018	1,22.74	(10,14.44)
March 31, 2017	(1,39.73)	(7,83.10)
March 31, 2016	(7,57.25)	(8,12.68)

TMF HOLDINGS LIMITED (formerly known as Tata Motor Finance Limited)
(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the consolidated financial statements for the year ended March 31, 2018

Particulars	Gratuity	Compensated absence
March 31, 2015	(6,69.79)	(7,19.15)
March 31, 2014	(1,56.56)	(5,01.67)
Experience adjustments arising on		
a. Plan liabilities [gain/(loss)]		
March 31, 2018	5,97.65	(81.26)
March 31, 2017	1,53.50	(1,80.91)
March 31, 2016	46.38	1,11.49
March 31, 2015	(69.11)	1,65.41
March 31, 2014	60.85	30.16
b. Plan assets [gain/(loss)]		
March 31, 2018	(36.18)	N.A.
March 31, 2017	1,59.96	N.A.
March 31, 2016	-	N.A.
March 31, 2015	-	N.A.
March 31, 2014	0.18	N.A.
Change in present value of defined benefit obligation (DBO)		
Present value at the beginning of the year	45,10.67	10,24.86
	39,58.74	8,12.68
Current service cost	6,52.76	1,63.92
	5,46.80	1,44.59
Interest cost	3,31.38	69.04
	3,12.12	58.94
Actuarial (gains)/ losses	(7,93.37)	(37.23)
	(45.97)	2,29.05
Acquisition cost/(credit)	(2,75.23)	(49.63)
	-	-
Transfers to / from other funds	2,75.23	49.63
	-	-
Benefits paid	(1,62.93)	(2,06.15)
	(2,61.02)	(2,20.40)
Present value at the end of the year	45,38.51	10,14.44
	45,10.67	10,24.86
Change in fair value of plan assets for the year ended March 31, 2018		
Plan assets at beginning of the year	43,70.94	
	32,01.49	
Expected return on plan assets	3,48.95	
	1,52.72	
Acquisition Adjustments	-	
	-	
Actual contributions	1,40.47	

TMF HOLDINGS LIMITED (formerly known as Tata Motor Finance Limited)
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Explanatory notes forming part of the consolidated financial statements for the year ended March 31, 2018

Particulars	Gratuity	Compensated absence	
	11,03.53		
	(36.18)		
Actuarial gains/(loss)	1,59.96		
	(1,62.93)		
Benefits paid	(2,46.76)		
	46,61.25		
Plan assets at the end of the year	43,70.94		
Actuarial assumptions			
Discount rate	7.70%	7.70%	
	7.50%	7.50%	
Expected rate of return on plan assets	8.00%	N.A	
	8.00%		
	8.50%	8.50%	
Salary escalation	9.00%	9.00%	
Medical cost inflation	N.A.		
Indian Assured Lives Mortality (2006-08) (modified) ultimate			
The major categories of plan assets as percentage of total plan assets			
Government bonds	44.81%	N.A	
	38.08%		
Infrastructure bonds	14.81%		
	22.70%		
Corporate bonds	36.81%		
	30.94%		
Others	3.57%		
	8.29%		
Net assets/(liabilities) -- current and non-current			
Current	1,22.74		(1,09.99)
	(1,46.73)	(54.49)	
Non-current	-	(9,04.45)	
	7.00	(9,70.37)	
Total	1,22.74	(10,14.44)	
	(1,39.73)	(10,24.86)	

Notes

- The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The plan assets in respect of gratuity represent funds are managed by the insurers. The Group does not expect any contribution in next financial year (March 31, 2017: Rs. 1,02.09 lakhs) towards gratuity fund.

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TMF HOLDINGS LIMITED (formerly known as Tata Motor Finance Limited)
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Explanatory notes forming part of the consolidated financial statements for the year ended March 31, 2018

- c. Discount rate is based on government bond yields as at the respective year end.
d. Figures in italics pertain to previous year.

2. Defined contribution plans

The Group's contribution to defined contribution plan aggregating Rs. 11,35.86 lakhs for the year ended March 31, 2018 (March 31, 2017: Rs. 9,18.87 lakhs) has been recognised in the statement of profit and loss.

31. Related party transactions

The Group's related parties principally consist of parent company, fellow subsidiaries and affiliates. The Company routinely enters into transactions with these related parties in the ordinary course of business.

1. Related parties and their relationship

a. Holding Company

Tata Motors Limited

b. Fellow subsidiaries & associates of ultimate holding company (with whom there were transactions during the year)

Concorde Motors (India) Limited
Tata Technologies Limited
Tata Precision Industries (India) Limited
Automobile Corporation of Goa Limited

c. Key managerial personnel

Mr. Shyam Mani – Managing Director

2. Transactions and balances

a. Holding company

Sr. No.	Particulars	Rs. in lakhs	
		Year ended March 31, 2018	Year ended March 31, 2017
1	Dividend Paid	63,74.64	39,57.06
2	Service charges – income	3,75.91	4,54.53
3	Rent – expenditure	31.32	32.20
4	Delinquency support	1415,87.23	541,08.60
5	Interest cost recovery – other income	48,75.79	10,970.57
6	Incentive received	127,46.31	39,32.04
7	Lease charges received	2,87.44	1,17.39
8	Information technology support service charges	50.60	-

TMF HOLDINGS LIMITED (formerly known as Tata Motor Finance Limited)
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Explanatory notes forming part of the consolidated financial statements for the year ended March 31, 2018

Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
9	NCD NPA write off recovery	3,70.41	-
10	Purchase of fixed Asset	3,72.78	-
11	Reimbursement of expenses	-	1,89.29
12	Common cost reimbursed	1,01.69	94.38
13	Rent – income	6.33	-
14	Cross charges	2.35	-
15	Repayment received for loan	513,55.35	-
16	Equity share issued (including share premium)	300,00.00	-
17	Inter-Corporate Deposits placed	50,00.00	-
18	Inter-Corporate Deposits received back	50,00.00	-
19	Interest income on loan	34,78.45	-
20	Interest income on Inter-Corporate Deposits placed	20.41	-
21	Deputation of employees expenses	2.46	-

Net receivable from Tata Motors Limited at March 31, 2018 was Rs. 998,17.68 lakhs (March 31, 2017: net receivable Rs. 480,83.30 lakhs).

b. Fellow subsidiaries

Rs. in lakhs			
Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Concordo Motors (India) Limited			
1	Commission ~ expenditure (includes unamortised commission)	3,74.82	2,49.97
2	Investment made in compulsory convertible debenture	22,00.00	78,00.00
3	Vehicle loan principal repayments	-	13.89
4	Interest Income on vehicle loan	-	0.11
5	Interest income on inter corporate deposit	-	23.01
6	Channel financing	257,00.33	162,37.54
7	Channel financing principal repayments	246,89.96	172,22.58
8	Interest income on channel financing	1,12.14	1,59.94
9	Inter corporate deposit repaid	-	400.00
10	Lease charges received	61.08	-
11	Purchase of fixed assets	6,44.96	-
12	Car maintenance charges	0.44	-
13	Term loan given	75,00.00	-
14	Term loan repayment	11,60.99	-
15	Interest income on term loan	5,17.45	-
16	Interest income on compulsory convertible debenture	4,65.21	-
17	Payment of vehicle registration charges	50.28	-
18	Insurance commission	-	33.81
Tata Technologies Limited			
1	Information technology support service charges	471.83	7,85.25

Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
2	Interest on long term debenture -unsecured rated non-convertible debenture TIER II	55.00	54.93
3	Lease charges received	54.50	87.80
4	Dividend received	324.80	284.20
Tata Precision Industries (India) Limited			
1	Interest Income on investment in non-cumulative Debentures	35.00	35.00
Automobilo Corporation of Goa Limited			
1	Dividend Income	8.46	2.42
TML Distribution Company Limited			
1	Purchase of Vehicles	1,96.09	-

Closing balances

Sr. No.	Particulars	Rs. in lakhs	
		At March 31, 2018	At March 31, 2017
1	Concorde Motors (India) Limited – net receivable	77,83.74	5,85.34
2	Concorde Motors (India) Limited – Investment in Compulsorily Convertible Debentures	100,00.00	78,00.00
3	Tata Technologies Limited – net payable	6,35.11	5,01.48
4	Tata Precision Industries (India) Limited – net receivable	17.45	-
5	Tata Precision Industries (India) Limited – Investment in Debentures	3,50.00	-

c. Key Managerial Personnel

Remuneration to Mr. Shyam Mani for the year ended March 31, 2018 was Rs. 3,67.50 lakhs (March 31, 2017: Rs. 2,98.91 lakhs). Remuneration excludes provision for encashable leave and gratuity as separate actuarial valuation is not available.

32. Disclosure of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 in accordance with notification G.S.R. 307 (E) issued by Ministry of Corporate Affairs

Particulars	Rs. in lakhs		
	SBN	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	8,58.15	1,01.66	9,59.81
Add- Permitted Receipts	-	179,10.68	179,10.68
Less - Permitted Payments	-	47.44	47.44
Less - Amount deposited in the banks	8,58.15	169,43.69	178,01.84
Closing cash in hand as on December 30, 2016	-	10,21.21	10,21.21

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TMF HOLDINGS LIMITED (formerly known as Tata Motor Finance Limited)
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Explanatory notes forming part of the consolidated financial statements for the year ended March 31, 2018

Specified bank notes means bank notes of existing series of denomination of the value of five hundred rupees and one thousand rupees.

33. Additional information to consolidated accounts

Additional information to consolidated accounts at March 31, 2018 (Pursuant to Schedule III of the Companies Act, 2013) is given below.

Name of the entity	Net assets		Profit/(loss)	
	% of total net assets	Amount (Rs. in lakhs)	% of total net profit	Amount (Rs. in lakhs)
Rs. in lakhs				
Parent				
TMF Holdings Limited (formerly known as Tata Motor Finance Limited)	201.90%	3715,67.45	8.39%	18,25.00
Subsidiaries				
Tata Motors Finance Limited (formerly known as Sheba Properties Limited)	202.60%	3728,58.67	150.67%	327,58.13
Tata Motors Finance Solution Private Limited	63.31%	1165,05.14	(10.50%)	(22,83.04)
Intra-group elimination	(367.81%)	(6768,95.81)	(48.57%)	(105,58.82)
Total	100.00%	1840,35.45	100.00%	217,41.27

Additional information to consolidated accounts at March 31, 2017 (Pursuant to Schedule III of the Companies Act, 2013) is given below.

Name of the entity	Net assets		Profit/(loss)	
	% of total net assets	Amount (Rs. in lakhs)	% of total net profit	Amount (Rs. in lakhs)
Rs. in lakhs				
Parent				
TMF Holdings Limited (formerly known as Tata Motor Finance Limited)	2,14.77	3515,40.14	(4.05)	47,82.59
Subsidiaries				
Tata Motors Finance Limited (formerly known as Sheba Properties Limited)	1,87.25	3064,96.60	(3.71)	43,90.95
Tata Motors Finance Solution Private Limited	72.57	1187,88.18	41.54	(491,12.47)
Intra-group elimination	(3,74.59)	(6131,42.79)	66.22	(782,90.28)
Total	100.00	1636,82.13	100.00	(1182,29.21)



TMF HOLDINGS LIMITED (formerly known as Tata Motor Finance Limited)
(CIN - U65923MH2006PLC162503)

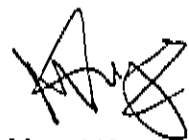
Explanatory notes forming part of the consolidated financial statements for the year ended
March 31, 2018

34. Comparative figures

Previous year's amounts have been re-grouped/re-classified wherever necessary to conform to
current period's classification/disclosure.

35. Previous year's amounts have been audited by predecessor auditors.

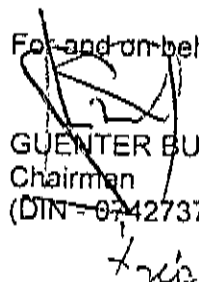
For B S R & Co, LLP
Chartered Accountants
Firm Registration Number:
101248WW-100022




Manoj Kumar Vijai
Partner
Membership No. 046882

Place: Mumbai
Date: May 2, 2018

For and on behalf of the Board of Directors,



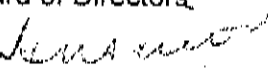
GUENTER BUTSCHEK
Chairman
(DIN - 02427375)



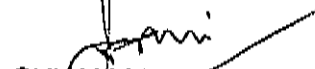
P.B. BALAJI
Director
(DIN - 02762983)



ANAND BANG
Chief Financial Officer



H.N. SINOR
Director
(DIN - 00074905)



SHYAM MANI
Managing Director
(DIN - 00273598)



VINAY LAVANNIS
Company Secretary

Place: Mumbai
Date: May 2, 2018

TMF Holdings Limited
(formerly known as Tata Motors Finance Limited)
Financial statements
together with
the Independent Auditor's Report
for the year ended 31 March 2018

TMF Holdings Limited
(formerly known as Tata Motors Finance Limited)

Financial statements together with the Independent Auditor's Report
for the year ended 31 March 2018

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Cash flow statement

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B S R & Co. LLP

Chartered Accountants

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N. M. Joshi Marg, Mahalaxmi
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India

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Independent Auditor's Report

To the Members of
TMF Holdings Limited

(Formerly known as Tata Motors Finance Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TMF Holdings Limited (formerly known as Tata Motors Finance Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

Independent Auditor's Report (Continued)
TMF Holdings Limited
(Formerly known as Tata Motors Finance Limited)

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 2018, its profit and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 have been audited by the predecessor auditor who had audited the standalone financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 19 May 2017 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

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;

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Independent Auditor's Report (Continued)
TMF Holdings Limited
(Formerly known as Tata Motors Finance Limited)

Report on Other Legal and Regulatory Requirements (Continued)

- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 the standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 29 to the standalone financial statements;
 - 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 regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to the financial year ended 31 March 2018. Corresponding amounts as appearing in the audited standalone financial statements for the year ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner

Membership No: 046882

Place : Mumbai
Date : 2 May 2018

TMF Holdings Limited
(Formerly known as Tata Motors Finance Limited)

“Annexure A” to the Independent Auditor’s Report - 31 March 2018

(Referred to in ‘Report on Other Legal and Regulatory Requirements’ 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) Some of the fixed assets were physically verified during the year by management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification
- (c) According to the information and explanations 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.
- 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 explanations 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.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and securities granted.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, 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 Section 148(1) 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 the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, goods and service tax, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance, duty of customs and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, goods and service tax, value added tax, cess and other

TMF Holdings Limited

“Annexure A” to the Independent Auditor’s Report-31 March 2018

(Continued)

material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and based on our examination of records of the Company, there are no dues of income tax, sales tax, service tax, goods and service tax, value added tax, that have not been deposited on account of dispute.
- viii. According to the information and explanations given to us and based on our examination of the records of the Company, it has not defaulted in the repayment of dues to debenture holders. The Company does not have any outstanding loans and borrowings from banks, financial institutions or Government.
- ix. According to the information and explanations given to us and based on our examination of records of the Company, it did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable to the Company.
- x. According to the information and explanations give 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 the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year under review and in our opinion and according to the information and explanation given to us, the requirement of Section 42 of the Act have been complied with and the amount raised have been used for the purpose for which the fund has been raised.
- xv. According to the 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, paragraph 3(xv) of the Order is not applicable.

TMF Holdings Limited

“Annexure A” to the Independent Auditor’s Report-31 March 2018

(Continued)

- xvi. According to the information and explanation 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

Place : Mumbai

Date : 2 May 2018

TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of TMF Holdings Limited (Formerly known as Tata Motors Finance Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TMF Holdings Limited (formerly known as Tata Motors Finance Limited) ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

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

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

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

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TMF Holdings Limited
(Formerly known as Tata Motors Finance Limited)

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of TMF Holdings Limited (Formerly known as Tata Motors Finance Limited) (Continued)

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting


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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP
Chartered Accountants

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



Manoj Kumar Vijai
Partner

Membership No: 046882

Place : Mumbai
Date : 2 May 2018

TMF HOLDINGS LIMITED (formerly known as TATA MOTORS FINANCE LIMITED)
(CIN - U65923MH2006PLC162503)

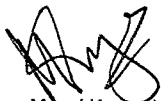
Balance Sheet as at March 31, 2018

Rs. in lakhs

Particulars	Note	As at March 31, 2018	As at March 31, 2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	1838,73.51	1753,02.08
(b) Reserves and surplus	4	1876,93.94	1762,38.06
		3715,67.45	3515,40.14
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	837,09.33	765,02.64
(b) Other long-term liabilities	6	16,95.66	-
(c) Long-term provisions	7 (a)	1,58.17	27.05
		855,63.16	765,29.69
(3) Current Liabilities			
(a) Short-term borrowings	8	1829,32.63	1188,80.54
(b) Trade payables	9		
(i) Total outstanding dues of micro, small and medium enterprises		-	-
(ii) Total outstanding dues of creditors other than above		67.66	5,00.93
(c) Other current liabilities	10	293,91.96	34,58.25
(d) Short-term provisions	7 (b)	5,61.58	2,31.86
		2129,53.83	1230,71.58
Total		6700,84.44	5511,41.41
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, plant and equipment	11	44,72.42	47,52.17
(ii) Intangible assets	12	-	-
(iii) Capital work-in-progress		-	37.26
(b) Non-current investments	13	5308,58.10	4936,58.10
(c) Trade receivable	15	-	-
(d) Long-term loans and advances	16	146,82.59	101,47.00
(e) Other Non-current assets	19	37.50	-
		5500,50.61	5085,94.53
(2) Current assets			
(a) Current investments	14	50,00.00	100,00.00
(b) Trade receivables	15	1027,10.70	1,49.54
(c) Cash and cash equivalents	17	48,92.82	54,58.84
(d) Short-term loans and advances	18	64,47.14	269,38.50
(e) Other current assets	19	9,83.17	-
		1200,33.83	425,46.88
Total		6700,84.44	5511,41.41
See accompanying summary of significant accounting policies and explanatory notes forming part of the financial statements			

As per our report of even date attached


For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

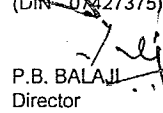


Manoj Kumar Vijai
Partner
Membership No. 046882

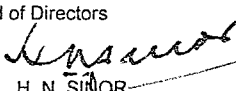
Place: Mumbai
Date: May 2, 2018

For and on behalf of the Board of Directors

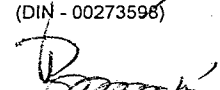

GUENTER BUTSCHEK
Chairman
(DIN - 07427375)


P.B. BALAJI
Director
(DIN - 02762983)


ANAND BANG
Chief Financial Officer


H. N. SRINOR
Director
(DIN - 00074905)


SHYAMMANI
Managing Director
(DIN - 00273596)


VINAY LAVANNIS
Company Secretary

Place: Mumbai
Date: May 2, 2018

Statement of Profit and Loss for the year ended March 31, 2018

Rs. in lakhs

Particulars	Note	For the Year ended March 31, 2018	For the Year ended March 31, 2017
I. Revenue from operations	20	151,33.40	1830,04.34
II. Other income	21	22,60.19	70,57.19
III. Total Revenue (I + II)		173,93.59	1900,61.53
IV. Expenses:			
Employee benefits expense	22	4,13.41	154,94.35
Finance costs	23	104,25.83	1071,24.12
Depreciation and amortisation expense	11,12	4,81.92	18,35.84
Other expenses	24	16,32.73	1320,70.71
Total expenses		129,53.89	2565,25.02
V. Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		44,39.70	(664,63.49)
VI. Exceptional items		-	1178,58.88
VII. Profit before extraordinary items and tax (V + VI)		44,39.70	513,95.39
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		44,39.70	513,95.39
X. Tax expenses	25	26,14.70	466,12.80
XI. Net Profit for the year (IX- X)		18,25.00	47,82.59
XII. Earnings per equity share (of Rs. 10/- each)			
Basic (Rs.)		0.02	0.25
Diluted (Rs.)		0.02	0.25
See accompanying summary of significant accounting policies and explanatory notes forming part of the financial statements			

As per our report of even date attached


For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248WW-100022

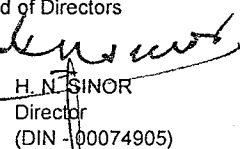


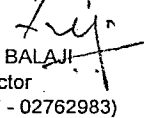
Manoj Kumar Vijai
Partner
Membership No. 046882


Place: Mumbai
Date: May 2, 2018

For and on behalf of the Board of Directors


GUENTER BUTSCHEK
Chairman
(DIN - 02427375)


H. N. SINOR
Director
(DIN - 00074905)


P.B. BALAJI
Director
(DIN - 02762983)


SHYAM MANI
Managing Director
(DIN - 00273598)


ANAND BANG
Chief Financial Officer


VINAY LAVANNIS
Company Secretary

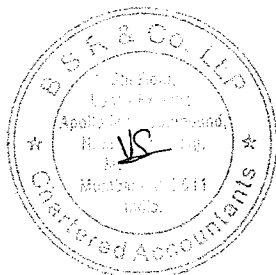
Place: Mumbai
Date: May 2, 2018

Cash Flow Statement for the year ended March 31, 2018

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	44,39.70	513,95.39
Adjustments for:		
Interest income	(41,70.71)	(1670,41.97)
Interest Income on long term trade investments, bank deposits, etc.	(11,28.88)	(36,71.13)
Discounting charges on commercial paper	83,04.51	301,41.13
Depreciation and amortisation expense	4,81.92	18,35.84
Net gain on sale / redemption of current Investments	(6,08.27)	(8,88.25)
Loss on sale of long-term investments	6,30.00	-
Dividend from subsidiary	(70,02.10)	(7,80.00)
Interest expense and other borrowing costs	21,21.32	769,82.99
(Profit)/loss on sale of fixed assets (net)	(1,55)	1,38.00
Provision for employee benefit schemes	4.18	(7,56.79)
Provision for Indirect tax	-	109,93.04
Provision for doubtful finance receivables and finance receivables written-off	-	974,00.24
Surplus on slump sale pursuant to business transfer	-	(1178,58.88)
Provisions on standard assets	4,27.87	10,89.99
Provision for doubtful loans and advances	-	(5,18.51)
Operating cash flows before working capital changes	34,97.99	(215,38.91)
Movements in working capital:		
Other assets	(71.73)	(542,72.79)
Short-term advances	254,91.36	23,82.08
Finance receivables	-	(510,97.15)
Long-term advances	(49,98.30)	(29,05.21)
Trade receivables	(1025,61.16)	32,54.79
Trade payables	(4,33.27)	(62,30.42)
Other current liabilities	(28,02.89)	59,04.49
Other long-term liabilities	(0.03)	(366,46.42)
Margin money / cash collateral with banks*	-	(58,21.40)
	(853,76.02)	(1454,32.03)
Current taxes refund received /(paid) (net)	3,55.37	190,17.85
Discounting charges / premium on commercial papers and zero coupon bonds paid	(53,01.24)	(392,52.57)
Interest expense	(4,25.66)	(798,49.30)
Interest income	32,21.77	1681,76.15
Net cash used in operating activities	(840,27.79)	(988,78.81)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(1,99.06)	(7,37.69)
Proceeds from sale of fixed assets	64.20	1,22.67
Realisation from Senior Pass through Certificates	-	440,64.77
Realisation from long term Senior Pass through Certificates	-	14.36
Purchase of current investments	(8614,68.50)	(16038,20.00)
Proceeds from sale / redemption of current investments	8670,76.77	15947,08.25
(Purchase) / redemption of debentures - Non-current	-	(79,13.21)
Purchase of debenture - Current	-	2,51.10
Investment in subsidiaries	(822,00.00)	(2952,00.00)
Proceeds from sale of investments in subsidiary	443,70.00	-
Inter-corporate deposits placed	(575,00.00)	-
Inter-corporate deposits repayment received	525,00.00	-
Dividend received from subsidiary	70,02.10	7,80.00
Consideration received on sale of business	-	3021,00.00
Interest income on long term trade investments, bank deposits etc	11,28.81	-
Net cash flows from / (used in) investing activities	(292,25.68)	343,70.25
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Share/debenture issue expenses	(67.40)	(57.81)
Increase / (decrease) in cash credit (net)	-	(1363,88.08)
Proceeds / repayments from short term borrowings less than 3 months	1122,06.27	440,20.89
Proceeds from short-term borrowings 3 months and above	147,06.32	3479,13.28
Repayment of short-term borrowings 3 months and above	(658,63.77)	(3151,63.40)
Proceeds from long-term borrowings	250,00.00	4736,00.00
Repayment of long-term borrowings	-	(3427,70.92)
Inter-corporate deposits accepted	520,00.00	-
Inter-corporate deposits repaid	(520,00.00)	-
Proceeds from issue of equity shares (including share premium)	300,00.00	-
Dividend paid (including corporate dividend tax)	(32,93.97)	(54,64.27)
Net cash flows from financing activities	1126,87.45	656,89.69
Net decrease in cash and cash equivalents	(5,66.02)	11,81.13

* Not freely available for use by the Company.



Cash Flow Statement for the year ended March 31, 2018

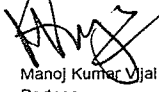
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash and cash equivalents as at the beginning of the year (refer note 17)	54,58.84	149,60.29
Cash and cash equivalent included on business acquisition	-	106,82.58
Cash and cash equivalents as at the end of the year (refer note 17)	48,92.82	54,58.84
Net decrease in cash and cash equivalents	(5,66.02)	11,81.13

Notes:

1. Finance costs has been considered as arising from operating activities in view of the nature of the Company's business.
2. Previous year's amounts have been regrouped, wherever necessary to conform current year's classification.

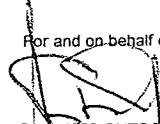
As per our report of even date attached

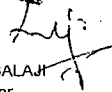
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022


Manoj Kumar Vjaj
Partner
Membership No. 046882

Place: Mumbai
Date: May 2, 2018

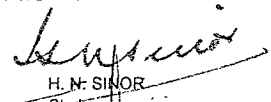
For and on behalf of the Board of Directors

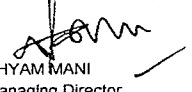

GUENTER BUTSCHEK
Chairman
(DIN - 07127375)

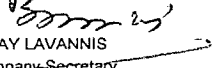

P.B. BALAJI
Director
(DIN - 02762983)


ANAND BANG
Chief Financial Officer

Place: Mumbai
Date: May 2, 2018


H. M. SINOR
Chairman
(DIN - 00074905)


SHYAM MANI
Managing Director
(DIN - 00273598)


VINAY LAVANNIS
Company-Secretary

Note 1 – CORPORATE INFORMATION

TMF Holdings Limited (the Company) is registered as a Non-Banking Financial (Non-Deposit Accepting or Holding) Company with the Reserve Bank of India (RBI) with effect from August 9, 2006. Pursuant to application requesting for conversion of the Company to a Core Investment Company, submitted to RBI on June 23, 2017, RBI issued a fresh Certificate of Registration of NBFC - Non Deposit taking - Systemically Important - Core Investment Company (CIC) dated October 12, 2017 to the Company. The Company is a subsidiary of Tata Motors Limited. With effect from June 17, 2017, the name of the Company has changed to TMF Holdings Limited from Tata Motors Finance Limited.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Basis for preparation of financial statements

The financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), to comply with the Accounting Standards specified under section 133 of Companies Act, 2013 and relevant prudential norms issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC) in respect of income recognition, asset classification, provisioning and other related matters. In the opinion of management, all adjustments which are necessary for a fair presentation have been included. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of annual financial statements for the year ended March 31, 2017.

B. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

C. Use of estimates

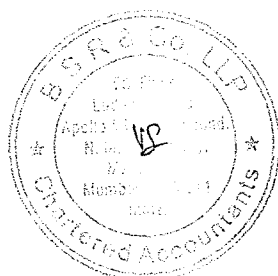
The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current year and future years.

D. Revenue recognition

1. Income on finance receivables and loans

Interest income is recognised in the statement of profit and loss on an accrual basis, except in the case of non-performing assets (NPA), where it is recognised upon realisation as per RBI norms.



Late payment charges are accounted on receipt basis on account of uncertainty of ultimate collection.

Loan processing fee is accounted for at the time of disbursement of loan.

2. Income from investments

Dividend income is recognised in the statement of profit and loss when the Company's right to receive the dividend is established.

Interest income on pass-through-certificates and debentures are recognised in statement of profit and loss on accrual basis.

E. Discount and premium on issue / redemption of debenture

Discount on issue of debentures and premium payable on redemption of debentures is amortised on straight line basis over the period of the instruments and is adjusted from securities premium account. Expenses incurred on issue of debentures are adjusted from securities premium account.

F. Share issue expenses

Share issue expenses are adjusted from securities premium account.

G. Employee benefits

1. Defined contribution plans

Contributions to the Company's defined contribution plans are accounted for on an accrual basis and charged in the statement of profit and loss.

i) 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 (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 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.

ii) Superannuation

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



Liability towards the Company's defined benefit plans are determined using the projected unit credit method, based on an independent actuarial valuation at the end of the year. Actuarial valuation of defined benefit plans is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains and losses are charged to the statement of profit and loss in the period in which they occur.

i) Gratuity

The Company provides for gratuity to all 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.

ii) Compensated absences

The employees are entitled to accumulate leave subject to certain limits, for future encashment. The Company provides for compensated absences based on actuarial valuation conducted by an independent actuary.

H. Leases

i) Assets taken on operating lease

Operating lease rent is recognised on accrual basis as an expense in the statement of profit and loss.

ii) Assets given on operating lease

Assets given on operating lease are included in fixed assets. Lease income is recognised in the statement of profit & loss on an accrual basis. Costs including depreciation are recognised as an expense in the statement of profit and loss.

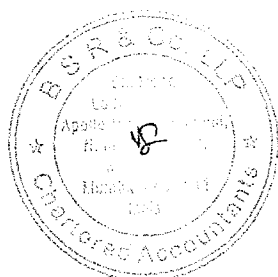
I. Provision for standard / non-performing assets (NPAs)

The Company classifies its loans into performing and NPAs in accordance with the RBI guidelines. Provision for loans are recognised as per the prudential norms relating to income recognition, asset classification and provisioning issued by the RBI. In addition to the provisioning as per the RBI norms, provisions are also recognised for the losses anticipated, if any.

The Company makes a provision on all outstanding standard assets as per the prudential norms issued by the RBI as applicable.

J. Property, plant and equipment, depreciation and amortisation

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation / amortisation and impairment, if any. The cost comprises of purchase price, non-refundable



taxes and levies and other directly attributable costs of bringing the assets to their working condition for the intended use.

Depreciation / amortisation is provided on the straight-line method over the useful life of the Property, plant and equipment as prescribed in the schedule II to the Companies Act, 2013 except in case of vehicles and certain class of office equipment, depreciation is based on the nature, estimated usage, operating condition and past history of replacement.

- i. Capital assets located in the leasehold premises are depreciated over the estimated useful life or five years, whichever is lower.
- ii. Software of a cost in excess of Rs. 25,000/- is amortised over a period of 5 years or over their estimated useful life, whichever is lower.
- iii. Assets costing less than Rs. 5,000/- are expensed off at the time of purchase.

K. Cash and Cash equivalents

Cash and Cash Equivalents comprises cash on hand, cheques/drafts on hand and cash at bank including fixed deposit with original maturity period up to three months.

L. Investments

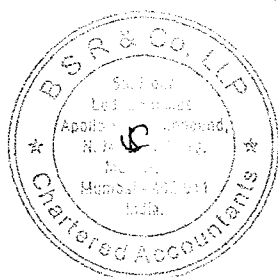
The Company follows trade date method of accounting for purchase and sale of investments. Investments expected to mature after twelve months are considered as long term / non-current investment and stated at cost less provision for diminution, if any. Provision for diminution is recognised for decline, other than temporary, in the value of such investments. Current investments are stated at lower of cost and fair value.

M. Taxation

Tax expenses are aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the year.

Current tax is the amount of tax payable on the taxable income for the year, as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent to that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability. Deferred tax asset and liability are netted off and disclosed in the balance sheet under the head "Deferred tax asset / liability".



Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the statement of profit and loss.

Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

N. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is calculated by dividing the net profit attributable to the equity shareholders after giving impact of amount relating to dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

O. Provisions, contingent liability and contingent assets

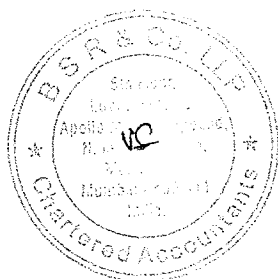
Provisions are recognised in accounts in respect of present probable obligations arising out of past events, the amount of which can be reliably estimated. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. Provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed in respect of possible obligations that arise from the past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are neither recognised, nor disclosed in the financial statements.

P. Dividend (including dividend distribution tax)

Interim dividend declared to equity and / or preference shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final proposed dividend declared to equity and / or preference shareholders, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.



Note 3
Share Capital

Rs. in lakhs

Particulars	As At March 31, 2018		As At March 31, 2017	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10 each with voting rights	1,500,000,000	1500,00.00	1,500,000,000	1500,00.00
Preference shares of Rs.100 each	75,000,000	750,00.00	75,000,000	750,00.00
		2250,00.00		225,000.00
Issued, Subscribed and Fully Paid-up				
Equity shares of Rs. 10 each	1,404,735,056	1404,73.51	1,319,020,771	1319,02.08
Cumulative, Non-participating compulsorily convertible preference share (CCPS) of ₹ 100 each	43,400,000	434,00.00	43,400,000	434,00.00
Total		1838,73.51		1753,02.08

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

Rs. in lakhs

Equity Shares	As At March 31, 2018		As At March 31, 2017	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	1,319,020,771	1319,02.08	1,319,020,771	1319,02.08
Shares issued during the year	85,714,285	85,71.43	-	-
Shares outstanding at the end of the year	1,404,735,056	1404,73.51	1,319,020,771	1319,02.08

As at March 31, 2018 and March 31, 2017 all the Equity Shares were held by Tata Motors Limited, the holding company and its nominees.

Rs. in lakhs

Cumulative, Non-participating CCPS	As At March 31, 2018		As At March 31, 2017	
	Number	Rs.	Number	Amount
Shares outstanding at the beginning of the year	43,400,000	434,00.00	43,400,000	434,00.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	43,400,000	434,00.00	43,400,000	434,00.00

None of the Cumulative non-participating CCPS as at March 31, 2018 and as at March 31, 2017 were held by Tata Motors Limited, their subsidiaries and associates.

b) Details of shares held by each shareholder holding more than 5% of Shares:

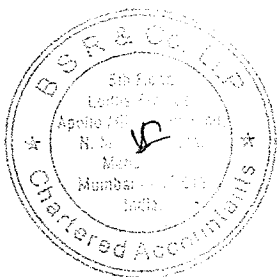
Name	As At March 31, 2018		As At March 31, 2017	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
Equity Share with voting rights Tata Motors Limited	1,404,735,056	100.00	1,319,020,771	100.00
Cumulative, Non-Participating CCPS HDFC Standard Life Insurance Company Limited	13,000,000	29.95	13,000,000	29.95
Apurva Goswamy	2,200,000	5.07	2,200,000	5.07

c) Terms / rights attached to equity shares

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

d) Terms/rights attached to preference shares

The Company has Cumulative, non-participating compulsorily convertible preference shares (CCPS) having a face value of Rs. 100 each. The holders of the CCPS are entitled for dividend @ 3% 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. The conversion ratio of the CCPS shall be 2.15: 1. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.



Explanatory notes forming part of the Financial Statements for the year ended March 31, 2018

Note 4
Reserves and Surplus

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
a. Securities premium account		
Balance as per the last financial statements	997,31.33	1123,20.73
Add: Premium on equity shares issued	214,28.57	-
Less: Debenture / share issue expenses (gross Rs. 67.50 lakhs, net of tax of Rs. 12.96 Lakhs ; March 31, 2017 gross Rs. 57.81 lakhs, net of tax of Rs. 20.00 Lakhs)	54.52	37.81
Less: Amortisation of premium on redemption of debentures (gross Rs. 72,06.70 lakhs, net of tax of Rs. 24,94.10 Lakhs; March 31, 2017 gross Rs. 191,94.38 lakhs, net of tax of Rs. 66,42.79 Lakhs)	4,712.60	125,51.59
Closing balance	1163,92.78	997,31.33
b. Special reserve*		
Opening balance	240,60.65	231,04.13
Add: Transfer from surplus in the statement of profit and loss	3,65.00	9,56.52
Closing balance	244,25.65	240,60.65
c. Surplus/(deficit) in the statement of profit and loss		
Opening balance	524,46.08	492,71.18
Add: Net profit for the year	18,25.00	47,82.59
Less: Transfer to special reserve	3,65.00	9,56.52
Less: Interim Preference Share dividend	-	6,51.17
Less: Equity dividend (note 1)	26,38.04	-
Less: Interim Equity dividend (note 2)	37,36.60	-
Less: Preference Share dividend (note 1)	6,51.00	-
Less: Tax on dividend	4.93	-
Net surplus in the Statement of Profit and Loss	468,75.51	524,46.08
Total	1876,93.94	1762,38.06

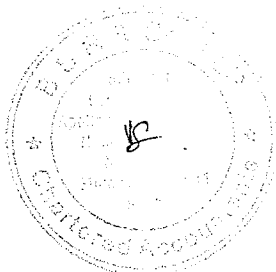
***Transfer to Special reserve**

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. The said amount will be transferred at the end of the Financial Year.

Note 1: The Board of Directors, at its meeting held on May 19, 2017 recommended a final dividend of Rs. 0.20 per Equity Share and pro-rata dividend of Rs 1.50 per CCPS for financial year ended on March 31, 2017. The dividend has been declared in the Annual General Meeting held on July 26, 2017 and has been paid on July 31, 2017.

Note 2: The Board of Directors, at its meeting held on March 26, 2018 recommended an interim dividend of Rs. 0.26 per Equity Share. The dividend has been paid on April 3, 2018.

Note 3: The Board has recommended a dividend of Rs. 0.45 per equity share of Rs. 10 each (4.5%) and Rs. 3 per CCPS of Rs. 100 each (3%), subject to approval of the members of the company at the forthcoming annual general meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Company has not appropriated proposed dividend (including tax) from Statement of Profit and Loss for the year ended March 31, 2018.



TMF HOLDINGS LIMITED (formerly known as TATA MOTORS FINANCE LIMITED)
(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Financial Statements for the year ended March 31, 2018

Note 5

Long-term borrowings

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Debentures		
(a) Privately placed Non-convertible debentures (unsecured) (gross of accreted value of premium on redemption of Rs. 87,09.33 lakhs; March 31, 2017 : Rs. 15,02.64 lakhs)	837,09.33	765,02.64
Total	837,09.33	765,02.64

Terms of repayment of bonds / debentures outstanding as at March 31, 2018

A. Privately placed unsecured, unlisted Non-convertible debentures (zero coupon debentures) - face value of Rs. 10 lakhs each (Issued at par, redeemable at premium on maturity)

Particulars	(Rs. In lakhs)	Redemption Date
8.60% TMFL Zero Coupon Debentures "E" FY 2016-17*	131,24.75	May 12, 2020
8.85% TMFL Zero Coupon Debentures "C" FY 2016-17*	230,78.58	April 15, 2020
8.85% TMFL Zero Coupon Debentures "B" FY 2016-17*	98,44.98	March 26, 2020
8.60% TMFL Zero Coupon Debentures "D" FY 2016-17*	192,08.03	January 24, 2020
8.85% TMFL Zero Coupon Debentures "A" FY 2016-17*	322,42.27	January 10, 2020
	974,98.61	
Less: Unamortised premium on redemption	137,89.28	
Total	837,09.33	

* These amounts are gross of premium payable on redemption.

Note 6

Other long-term liabilities

Rs. in lakhs

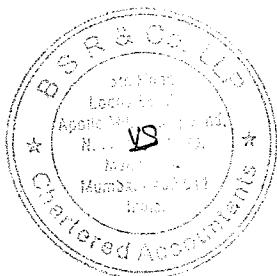
Particulars	As at March 31, 2018	As at March 31, 2017
Other liabilities	16,95.66	-
Total	16,95.66	-

Note 7

Provisions

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
A) Long-term provisions		
Provision for employee benefits	13.29	9.06
Provision for indirect taxes related contingencies	-	-
Contingent provisions against standard assets	1,44.88	17.99
Total	1,58.17	27.05
B) Short-term provisions		
Provision for employee benefits	0.23	0.28
Provision for income tax, net of advances	1,21.23	92.44
Contingent provisions against standard assets	4,40.12	1,39.14
Total	5,61.58	2,31.86



TMF HOLDINGS LIMITED (formerly known as TATA MOTORS FINANCE LIMITED)
(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Financial Statements for the year ended March 31, 2018
a. Movement of provision for indirect taxes related contingencies

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	-	1,93.63
Add: Provision	-	109,93.05
Less: Transfer on scheme of arrangement	-	(111,86.68)
Closing Balance	-	-

Note 8

Short-term borrowings

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Commercial Papers (Unsecured) (net of unamortised discount of Rs. 25,67.37 Lakhs ranging from 7.45% to 8.15%; March 31, 2017 Rs. 11,19.46 lakhs ranging from 6.85% to 7.96%) (Maximum amount outstanding Rs. 2470,00.00 Lakhs; March 31, 2017: Rs. 1600,00.00 Lakhs)	1829,32.63	1188,80.54
Total	1829,32.63	1188,80.54

Note 9

Trade payables

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Dues to micro, small and medium enterprises*	-	-
Dues to others	67.66	5,00.93
Total	67.66	5,00.93

* 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.

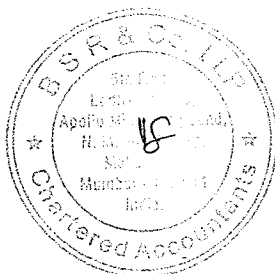
Note 10

Other current liabilities

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long term debt		
-Secured term loan from banks	250,00.00	-
Statutory dues	5,05.04	96.14
Current dues of long term employee benefits	14.78	-
Interim equity dividend	37,36.60	-
Other Liabilities (Due to related parties - Nil; March 2017 - Rs. 3,29.04 lacs)	1,35.54	33,62.11
Total	293,91.96	3,458.25

Term loan from banks is secured by way of first and exclusive charge by way of hypothecation of specified trade receivable.



TMF HOLDINGS LIMITED (formerly known as TATA MOTORS FINANCE LIMITED)
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Notes to the Financial Statements for the year ended March 31, 2018

Note 11
Property, plant and equipment

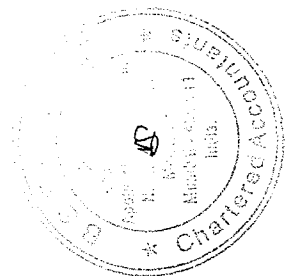
Particulars	Gross Block				Depreciation			Net Block	
	Balance as at April 1, 2017	Additions	Deletions	Transfer on account of amalgamation	Balance as at March 31, 2018	Deletions	Depreciation for the year	Transfer on account of amalgamation	Balance as at March 31, 2018
Office Premises/Residential flat	39,80.77	-	-	-	39,80.77	-	62.97	-	3,89.26
Furniture and fixtures	40,53.62	-	-	72.84	39,80.77	-	63.88	11.36	3,26.29
Vehicles	11,62.54	35.07	-	-	11,97.61	-	1,79.20	-	8,21.29
	53,81.41	1,09.90	1.44	43,27.34	11,62.54	0.57	7,24.39	32,02.09	6,42.08
Vehicles given on operating lease	6,87.98	76.23	2,19.47	5,44.74	-	-	1,07.66	3,33.18	-
	8,13.73	2,29.77	1,91.15	-	8,52.35	-	1,98.12	-	4,34.51
Office equipments	12,41.19	1,94.14	6,21.60	-	8,13.73	3,87.50	2,56.80	-	3,66.12
	4,22.70	-	63.51	-	3,59.19	62.28	41.63	-	2,72.44
Data processing machines	31,66.78	1,04.86	-	28,48.94	4,22.70	-	4,22.37	24,44.13	2,93.09
	12,25.93	87.59	-	13,13.52	-	-	46.54	11,20.08	-
Total	63,79.74	2,64.84	2,54.66	-	63,89.92	1,92.01	4,81.92	-	19,17.50
As at March 31, 2017	157,56.91	5,72.72	8,42.51	91,07.38	63,79.74	5,83.84	16,21.64	71,10.84	16,27.58

Amounts in italics pertain to previous year ended March 31, 2017

Note 12
Intangible Assets - Other than internally generated

Particulars	Gross Block			Amortisation		Net Block	
	Balance as at April 1, 2017	Additions	Deletions	Balance as at March 31, 2018	Deletions	Balance as at March 31, 2018	
Computer Software	-	-	-	-	-	-	
As at March 31, 2017	15,33.31	60.00	-	11,80.86	-	13,95.06	

1. Amounts in italics pertain to previous year ended March 31, 2017.
2. Total depreciation and amortisation (note 11 and note 12) for the year is Rs. 4,81.92 lakhs; for the previous year ended March 31, 2017 was Rs. 18,35.84 lakhs.



TMF HOLDINGS LIMITED (formerly known as TATA MOTORS FINANCE LIMITED)
(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Financial Statements for the year ended March 31, 2018

Note 13

Non-current Investments (at cost unless otherwise stated)

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in equity shares		
Investment in subsidiary companies (unquoted)		
Tata Motors Finance Limited (Formerly known as Sheba Properties Limited) 520,51,399 Equity shares (as at March 31,2017: 473,26,990) of Rs. 100 each fully paid up	3007,41.15	2707,41.15
Tata Motors Finance Solutions Limited 17,00,49,735 Equity shares (as at March 31,2017: 17,00,49,735) of Rs. 100 each fully paid up	1701,16.95	1701,16.95
Investment in preference shares		
Investment in subsidiary companies (unquoted)		
Tata Motors Finance Limited (Formerly known as Sheba Properties Limited) Nil Cumulative, Non-Participating Compulsorily Convertible Preference Shares (CCPS) (as at March 31,2017: 2,25,00,000) of Rs. 100 each fully paid up (refer note 1)	-	450,00.00
Tata Motors Finance Limited (Formerly known as Sheba Properties Limited) 1,50,00,000 Cumulative, Non-Participating Compulsorily Convertible Preference Shares (CCPS) (as at March 31,2017: Nil) of Rs. 100 each fully paid up	300,00.00	-
Investment in debenture (unquoted)		
Tata Motors Finance Limited (Formerly known as Sheba Properties Limited) 2000 9% Subordinated, Non-Convertible Debentures (as at March 31,2017: Nil) of Rs. 10 lakhs each fully paid up	200,00.00	-
Concorde Motors (India) Limited 100,00,000 5% Compulsorily convertible debentures (as at March 31, 2017: 78,000,000) of Rs. 10 each fully paid up (refer note 2)	100,00.00	78,00.00
Total	5308,58.10	4936,58.10

Note 1 - During the year, the company has sold CCPS issued by its subsidiary Tata Motors Finance Limited. There is call/put option with the Company/counterparty to purchase/sell 1,00,00,000 and 1,25,00,000 cumulative non-participative compulsory convertible preference shares in September 2020 and December 2020, respectively.

Note 2 - There is call/put option with the holding company of counterparty/Company to purchase/sell these Compulsorily Convertible Debentures in July 2021 and January 2022, respectively.

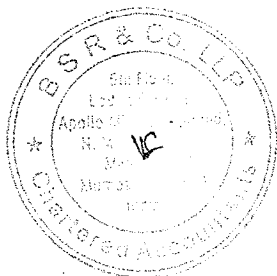
Note 14

Current Investments

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in senior pass-through-certificates (unquoted)	-	-
Less: Provision for diminution in the value of Investment	-	-
Investment in Mutual Funds (at Cost or fair value whichever is lower) (Unquoted)		
Scheme		
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan	50,00.00	-
Tata Money Market Fund - Direct Plan - Growth	-	100,00.00
Total	50,00.00	100,00.00

The aggregate amount of unquoted investments (Note 13 and 14) is Rs. 5358,58.10Lakhs (as at March 31, 2017 Rs. 5036,58.10 Lakhs).



TMF HOLDINGS LIMITED (formerly known as TATA MOTORS FINANCE LIMITED)
(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Financial Statements for the year ended March 31, 2018

Note 15
Trade Receivables

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Related parties	1027,10.70	1,49.54
Total	1027,10.70	1,49.54

Note 16
Long-term loan and advances

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Capital advances	-	28.50
Security deposits	28.43	22.39
Other loans and advances		
Advance payment of income tax, net of provisions	96,61.90	100,96.11
Secured considered good		
Loans to related parties	49,92.26	-
Total	146,82.59	101,47.00

Note 17
Cash and cash equivalents

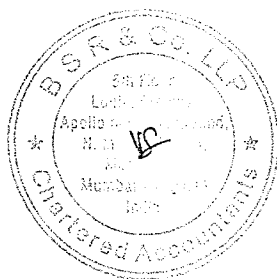
Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Cheques / drafts on hand	-	4,31.59
Balances with banks - current accounts	48,92.82	50,27.25
Total - cash and cash equivalents	48,92.82	54,58.84

Note 18
Short-term loans and advances

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless otherwise stated		
Other advances		
To related parties	2.15	268,94.99
To Others - considered good	92.61	43.51
	94.76	269,38.50
Loan to related parties	50,00.00	-
Secured, considered good		
Loans to related parties	13,52.38	-
Total	64,47.14	269,38.50

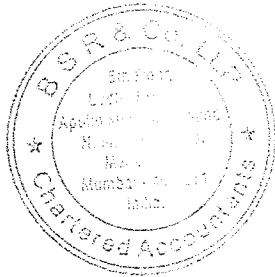


TMF HOLDINGS LIMITED (formerly known as TATA MOTORS FINANCE LIMITED)
(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Financial Statements for the year ended March 31, 2018
 Note 19
 Other assets

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
A) Other non-Current Assets		
Prepaid expenses	37.50	-
	37.50	-
B) Other Current Assets		
Unsecured, considered good		
Interest accrued but not due (Due from related parties - Rs. 9,48.94 lacs; March 2017 - Nil)	9,48.94	-
Prepaid expenses	34.23	-
Total	9,83.17	-



Note 20
Revenue from operation

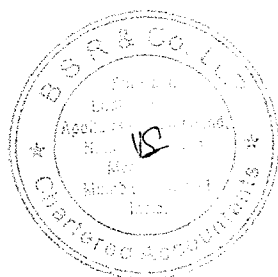
Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income		
Interest income from finance receivables	-	1588,40.24
Interest from other loans	39,95.90	64,18.37
Interest income on long-term investments	9,64.54	1,83.19
Interest income on inter-corporate deposits	159.55	-
	51,19.99	1654,41.80
Net Income on assignment/secured receivables	-	14,72.90
Loan processing fees and other charges	0.44	40,54.99
Interest income on pass-through-certificates investment	1,74.81	14,51.66
Interest income on margin money / cash collateral with banks	-	3,29.44
Compensation towards interest loss	-	36.00
Service charges	-	3,34.50
Support services income	2,573.19	62,11.14
Dividend income from subsidiaries	70,02.10	7,80.00
Others	2,62.87	28,91.91
	100,13.41	175,62.54
Total	151,33.40	1830,04.34

Note 21
Other income

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income:		
On bank deposits (gross)	4.79	34,87.94
On income tax refund	1,03.17	9,26.93
Net gain on sale of current investments	6,08.27	8,88.25
Recovery of bank charges (net of bank charges incurred and taxes thereon of Nil; March 31, 2017 - Rs. 6,65.18 lakhs)	-	7,09.53
Profit on sale of fixed assets	1.55	-
Balances written back	-	4,25.80
Provision written back	7,78.29	1,00.71
Miscellaneous receipts	7,64.12	5,18.03
Total	22,60.19	70,57.19



TMF HOLDINGS LIMITED (formerly known as TATA MOTORS FINANCE LIMITED)
(CIN - U65923MH2006PLC162503)
Notes to the Financial Statements for the year ended March 31, 2018
Note 22
Employee benefits expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries	3,75.66	137,09.31
Contributions to employee benefit funds	27.41	10,36.77
Staff welfare expenses	10.34	7,48.27
Total	4,13.41	154,94.35

Note 1 - For the year ended March 31, 2018, includes reimbursement of Key Managerial Person's salary of Rs. 32.62 lakhs to Tata Motors Finance Limited (formerly known as Sheba Properties Limited).

Note 23
Finance costs

Rs. in lakhs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2017
Interest expense	408.33	766,96.90
Discounting charges on commercial paper	83,04.51	301,41.13
Other borrowing costs	17,12.99	2,86.09
Total	104,25.83	1071,24.12

Note 24
Other expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Electricity	-	6,75.62
Rent (net of recoveries)	38.42	17,18.90
Repairs to office premises	51.22	3,98.00
Insurance	4.21	42.45
Rates and taxes	22.84	73.48
Incentive/commission	-	72,22.08
Information technology/consultancy expense	62.30	55,58.94
Service providers Fees	-	90,98.11
Payment to Auditors (Note (i))	21.45	102.20
Provisions and write-offs:		
Provision for doubtful loans and advances (others)	-	(516.51)
Provision for doubtful finance receivables	-	(207,18.03)
Less: Delinquency support	-	(17,63.18)
-Finance receivables written off (net of recoveries of Nil; March 31, 2017 - Rs. 33,10.38 lakhs)	-	1181,18.27
Less: Delinquency support	-	1,99.39
Total	-	953,18.94
Provisions on standard assets	4,27.87	10,90.00
Provision for diminution in the value of investment	-	-
Provision on consumer disputes	-	72.35
Loss on sale of long-term investments	6,30.00	-
Loss on sale of assets (net)	-	136.00
Support services charges	-	8,12.23
Corporate social responsibility expense	-	1,57.55
Other expenses	3,74.42	95,93.86
Total	16,32.73	1320,70.71

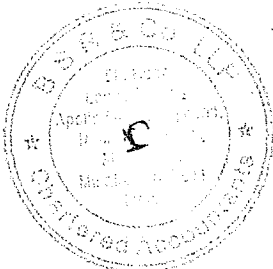
CSR expense is spent towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. No amount has been spent on construction / acquisition of an asset of the Company.

(i) Auditors' remuneration (excluding taxes)

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
As Auditors - Statutory audit (Refer note 1)	6.14	71.50
Tax audit (Refer note 1)	7.53	9.03
For other Services	6.35	16.85
Reimbursement of out of pocket expenses	1.46	4.82
Total	21.45	102.20

Note: The above includes fee towards audit of first quarter and Tax Audit for the year ended March 31, 2017 paid to erstwhile auditors



TMF HOLDINGS LIMITED (formerly known as TATA MOTORS FINANCE LIMITED)

(CIN - U65923MH2006PLC162503)

Notes to the Financial Statements for the year ended March 31, 2018

(ii) Expenditure in foreign currency (on accrual basis)

Rs. in lakhs

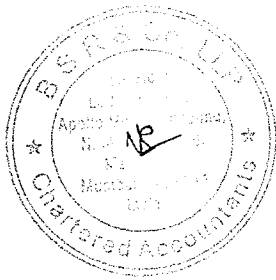
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Travelling	-	12.74
Total	-	12.74

Note 25

Tax expense

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax	-	-
Provision for tax relating to prior year	1,07.63	-
Tax impact of items routed through reserves	25,07.07	66,42.79
Deferred tax expense	-	39,970.01
Total	26,14.70	466,12.80



26. Earnings per share

Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20 – Earnings per share. Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed by dividing the net profit after tax as adjusted for dividend related to dilutive potential equity shares by the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year.

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

Rs. in lakhs, except per share data

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Basic		
Weighted average no. of equity shares outstanding	1,321,134,274	1,319,020,771
Net profit attributable to equity share holders	2,57.94	33,50.02
Basic earnings per share (Rs.)	0.02	0.25
Diluted		
Weighted average no. of equity shares outstanding	1,321,134,274	1,319,020,771
Net profit	2,57.94	33,50.02
Diluted earnings per share (Rs.)	0.02	0.25
Face value per share (Rs.)	10.00	10.00

For the year ended March 31, 2017 and March 31, 2018, the effect of compulsorily convertible preference shares (CCPS) was anti-dilutive. Hence, CCPSs were ignored in calculation of diluted earnings per share.

27. Segment

The Company, being a Core Investment Company has been operating only in one segment vis, financing and investing activities and the operations being only in India, the disclosure requirements of Accounting Standard-17 Segment Reporting are not applicable.

28. Operating lease

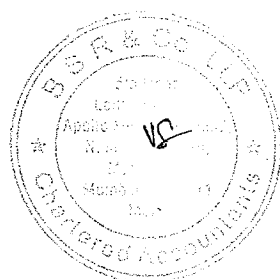
a. Assets taken on lease

The Company has entered into cancellable operating lease arrangements for commercial properties. Total lease payment recognised in the statement of profit and loss for the year ended March 31, 2018 was Rs. 38.42 Lakhs (March 31, 2017: Rs. 15,71.35 Lakhs).

b. Assets given on lease

The Company has entered into non-cancellable operating lease arrangements for passenger vehicles. Maturity pattern of future minimum lease receivable is given below.

Particulars	Rs. In lakhs	
	At March 31, 2018	At March 31, 2017
Not later than one year	86.94	1,68.87
later than one year and not later than five years	54.50	1,59.55
Total	1,41.44	3,28.42



29. Contingent liabilities and commitments- Contingent liabilities to the extent not provided for

a) Claims against the Company not acknowledged as debts:

Particulars	Rs. in lakhs	
	At March 31, 2018	At March 31, 2017
In respect of income tax matters	1.67	33.68
Total	1.67	33.68

b) Commitments

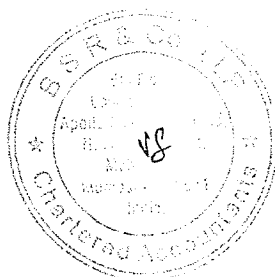
Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL (at March 31, 2017: Rs. 96.07 lakhs).

The Company's pending litigations comprise of proceedings pending with tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial position at March 31, 2018. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

30. Employee benefits

1. Defined benefits plans

Particulars	Rs. in lakhs	
	Gratuity	Compensated absence
Components of expense recognised in the statement of profit and loss		
Current service cost	6.29	1.35
	3,86.14	1,00.08
Interest costs	4.02	0.48
	2,39.68	42.31
Expected return on plan assets	(5.39)	-
	(1,02.17)	-
Actuarial losses/(gains)	10.74	3.55
	(1,57.73)	2,21.82
Total expense recognised in the statement of profit and loss	15.66	5.38
	3,65.92	3,64.21
Actual benefit payments and contribution		
Actual benefit payments	-	(3.36)
	(1,10.82)	(1,82.75)
Actual contributions	-	-
	(4,49.14)	(1,82.75)
Net asset/(liability) recognised in the balance sheet at respective year ends and experience adjustments		



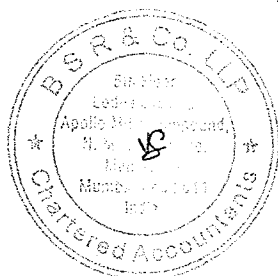
TMF HOLDINGS LIMITED (formerly known as Tata Motor Finance Limited)
(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the financial statements for the year ended March 31, 2018

Particulars	Gratuity	Compensated absence
Present value of defined benefit obligation		
March 31, 2018	(1,15.13)	(13.52)
March 31, 2017	(64.38)	(9.34)
March 31, 2016	(36,50.63)	(7,25.98)
March 31, 2015	(29,90.60)	(6,67.00)
March 31, 2014	(23,50.06)	(5,01.67)
Fair value of plan assets		
March 31, 2018	1,00.35	N.A.
March 31, 2017	65.26	
March 31, 2016	32,01.49	
March 31, 2015	25,73.41	
March 31, 2014	25,06.63	
Net asset/(liability) recognised in balance sheet		
March 31, 2018	(14.78)	(13.52)
March 31, 2017	0.88	(9.34)
March 31, 2016	(4,49.14)	(7,25.98)
March 31, 2015	(4,17.19)	(6,67.00)
March 31, 2014	1,56.57	(5,01.67)
Experience adjustments arising on		
a. Plan liabilities [gain/(loss)]		
March 31, 2018	(9.14)	(3.64)
March 31, 2017	62.14	(2,21.20)
March 31, 2016	82.87	76.54
March 31, 2015	(69.11)	1,65.41
March 31, 2014	60.85	30.16
b. Plan assets [gain/(loss)]		
March 31, 2018	(1.60)	N.A.
March 31, 2017	99.42	
March 31, 2016	-	
March 31, 2015	0.00	
March 31, 2014	0.18	
Change in present value of defined benefit obligation (DBO)		
Present value at the beginning of the year	64.38	9.34
	36,50.63	7,25.98
Current service cost	6.29	1.35
	3,86.14	1,00.08
Interest cost	4.02	0.48
	2,39.68	42.31
Acquisition cost/(credit)	31.30	2.16
	-	-
Actuarial (gains)/ losses	9.14	3.55
	(58.31)	2,21.82
Benefits paid	-	(3.36)



Particulars	Gratuity	Compensated absence
	(1,10.82)	(1,82.75)
Transfer under the scheme of arrangement	-	-
	(40,42.94)	(8,98.10)
Present value at the end of the year	1,15.13	13.52
	64.38	9.34
Change in fair value of plan assets for the year ended March 31, 2018		
Plan assets at beginning of the year	65.26	N.A
	32,01.49	
Expected return on plan assets	5.39	N.A
	1,02.17	
Actual Company contributions	-	N.A
	4,49.14	
Acquisitions Cost/(Credit)	31.30	N.A
	-	
Actuarial gains/(loss)	(1.60)	N.A
	99.42	
Benefits paid	-	N.A
	(1,10.82)	
Transfer under the scheme of arrangement	-	N.A
	(36,76.14)	
Plan assets at the end of the year	1,00.35	N.A
	65.26	
Actuarial assumptions		
Discount rate	7.70%	7.70%
	7.50%	7.50%
Expected rate of return on plan assets	8.00%	N.A
	8.00%	
Salary escalation	8.50%	8.50%
	9% to 10%	9% to 10%
Medical cost inflation	N.A.	
Indian Assured Lives Mortality (2006-08)(modified) ultimate		
The major categories of plan assets as percentage of total plan assets		
Government bonds	25.53%	N.A
	38.80%	
Infrastructure bonds	-	N.A
	24.30%	
Corporate bonds	67.85%	N.A
	29.07%	
Others	6.62%	N.A
	7.83%	
Net assets/(liabilities) – current and non-current		
Current	(14.78)	(0.23)



Particulars	Gratuity	Compensated absence
	-	(0.28)
Non-current	-	(13.29)
	0.88	(9.06)
Total	(14.78)	(13.52)
	0.88	(9.34)

Notes

- The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The plan assets in respect of gratuity represent funds are managed by the insurers. The company expects contribution of Rs. 14.78 lacs in next financial year. (March 31, 2017: Rs. Nil) towards gratuity fund.
- Discount rate is based on government bond yields as at the respective year end.
- Figures in italics pertain to previous year.

2. Defined contribution plans

The Company's contribution to defined contribution plan aggregating Rs.12.63 lakhs for the year ended March 31, 2018 (March 31, 2017: Rs. 6,69.97 lakhs) has been recognised in the statement of profit and loss.

31. Related party transactions

The Company's related parties principally consist of parent company, fellow subsidiaries and affiliates. The Company routinely enters into transactions with these related parties in the ordinary course of business.

1. Related parties and their relationship

a. Holding Company

Tata Motors Limited

b. Subsidiaries

Tata Motors Finance Limited (formerly known as Sheba Properties Limited)

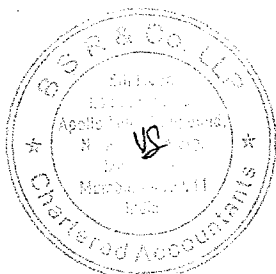
Tata Motors Finance Solutions Limited (Formerly known as Rajasthan Leasing Private Limited)

c. Fellow subsidiaries and associates (with whom there are transactions) (with whom there were transactions during the year)

Concorde Motors (India) Limited

Tata Technologies Limited

TML Distribution Company Limited



d. Key managerial personnel

Mr. Shyam Mani – Managing Director

2. Transactions and balances

a. Holding company

		Rs. in lakhs	
Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1	Repayment received for loan	513,55.35	-
2	Equity share issued (including share premium)	300,00.00	-
3	Inter-Corporate Deposits placed	50,00.00	-
4	Inter-Corporate Deposits received back	50,00.00	-
5	Dividend paid (including interim dividend payable)	63,74.64	39,57.06
6	Interest income	34,78.45	-
7	Lease charges received	2,19.45	1,08.01
8	Interest income on Inter-Corporate Deposits placed	20.41	-
9	Common cost reimbursement	-	69.41
10	Service charges – income	-	3,78.99
11	Rent – expenditure	-	27.12
12	Delinquency support	-	7.40
13	Incentive received	-	35,40.84

Net receivable from Tata Motors Limited at March 31, 2018 was Rs. 1031,59.53 lakhs (March 31, 2017: Net receivable Rs. 1.49 lakhs).

b. Subsidiary company

		Rs. in lakhs	
Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Tata Motors Finance Limited (formerly known as Sheba Properties Limited)			
1	Inter-Corporate Deposits placed	525,00.00	-
2	Inter-Corporate Deposits repayment received	475,00.00	-
3	Subscription made towards equity shares (including share premium)	300,00.00	2302,00.00
4	Subscription made towards Compulsorily Convertible Preference shares (including share premium)	300,00.00	450,00.00
5	Investment in unsecured Tier-II Debentures	200,00.00	-
6	Advances received	5.00	-
7	Advances refunded back	5.00	-
8	Transfer of New vehicle business (refer note 35)	-	2752,00.00
9	Dividend received on investment in equity shares	51,57.10	7,80.00
10	Dividend received on investment in Compulsorily Convertible Preference shares	18,45.00	-
11	Rent Income	8,43.35	-



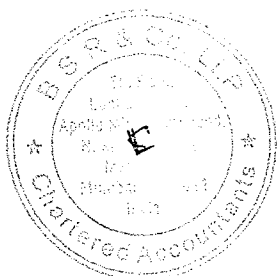
Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
12	Interest received on Inter Corporate Deposits	1,39.14	-
13	Infra support charges	62.02	11.10
14	Reimbursement of expenses	32.83	-
15	Interest income on unsecured Tier-II Debentures	19.73	-
Tata Motors Finance Solutions Limited			
1	Purchase of trade receivable	1540,66.05	-
2	Inter Corporate Deposits accepted	520,00.00	500,00.00
3	Inter Corporate Deposits repaid	520,00.00	413,00.00
4	Transfer of corporate lending business	-	269,00.00
5	Interest paid on Inter Corporate Deposits	2,09.81	4,67.80
6	Reimbursement of other expenses received	-	68.58
7	Rent – Income	40.24	-
8	Support Service Income	91.98	15,80.47
9	Reimbursement of refurbishment expenses	-	1,82.25
10	Subscription made towards equity shares	-	200,00.00

Closing balances

Sr. No.	Particulars	Rs. in lakhs	
		At March 31, 2018	At March 31, 2017
1	Tata Motors Finance Solution Limited - net receivable	-	268,78.65
2	Tata Motors Finance Solution Limited - net payable	10.50	-
3	Tata Motors Finance Limited - net payable	-	3,19.05
4	Tata Motors Finance Limited - net receivable	50,30.40	-
5	Tata Motors Finance Limited – Investment in Unsecured Tier II Debentures	200,00.00	-

c. Fellow subsidiaries

Sr. No.	Particulars	Rs. in lakhs	
		Year ended March 31, 2018	Year ended March 31, 2017
Concorde Motors (India) Limited			
1	Term loan given	75,00.00	-
2	Investment made in compulsory convertible debenture	22,00.00	78,00.00
3	Term loan repayment	11,60.99	-
4	Vehicle loan principal repayments	-	13.89
5	Channel financing	-	162,37.54
6	Channel financing principal repayments	-	172,22.58
7	Interest income on term loan	5,17.45	-
8	Interest income on compulsory convertible debenture	4,65.21	-
9	Payment of vehicle registration charges	50.28	-
10	Commission - expenditure (includes unamortised commission)	-	2,08.56
11	Interest Income on vehicle loan	-	0.11



Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
12	Interest income on channel financing	-	1,59.94
13	Commission received	-	33.81
Tata Technologies Limited			
1	Information technology support service charges	8.90	5,42.96
2	Interest on long term debenture	-	46.04
3	Lease charges received	54.50	87.80
TML Distribution Company Limited			
1	Purchase of vehicle	1,78.22	-

Closing balances

Rs. in lakhs			
Sr. No.	Particulars	At March 31, 2018	At March 31, 2017
1	Concorde Motors (India) Limited – net receivable	63,44.65	-
2	Concorde Motors (India) Limited – Investment in Compulsorily convertible debentures	100,00.00	78,00.00

d. Key Managerial Personnel

Remuneration to Mr. Shyam Mani for the year ended March 31, 2018 was Rs. 3,67.50 lakhs (March 31, 2017: Rs. 2,98.91 lakhs). Remuneration excludes provision for encashable leave and gratuity as separate actuarial valuation is not available.

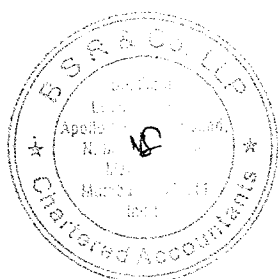
32. Disclosure of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 in accordance with notification G.S.R. 307 (E) issued by Ministry of Corporate Affairs

Rs. in lakhs			
Particulars	SBN	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	8,45.64	1,01.38	9,47.02
Add- Permitted Receipts	-	17,776.21	17,776.21
Less - Permitted Payments	-	47.44	47.44
Less - Amount deposited in the banks	8,45.64	16,817.23	17,662.87
Closing cash in hand as on December 30, 2016	-	10,12.92	10,12.92

Specified bank notes means bank notes of existing series of denomination of the value of five hundred rupees and one thousand rupees.

33. Scheme of Arrangement with Sheba Properties Limited

a) With an objective of converting the Company into Core Investment Company (CIC), the Company had realigned its businesses by transferring it to its subsidiaries. The Company is now engaged in the business of granting of loans, guarantees and other forms of finance to, leasing



and making of investments in securities of the Group Companies and to carry on such other activities as may be permitted under the CIC Guidelines.

b) Pursuant to the Scheme of arrangement (Scheme) between the Company and its subsidiary Sheba Properties Limited (Sheba) under section 391 to 394 of the Companies Act, 1956, the assets and liabilities pertaining to New Vehicle Finance business of the Company were transferred to and vested in Sheba. The Scheme was approved by the National Company Law Tribunal, Mumbai on April 17, 2017. The Scheme was filed on May 9, 2017 with Registrar of Companies, Mumbai on which the transfer became effective. As per the approved Scheme, the appointed date of transfer was close of business hours on January 31, 2017.

The agreed total consideration for slump sale of Rs. 2752,00.00 lakhs against the net assets value of Rs.1559,74.36 lakhs has resulted in capital gain to the Company of Rs.1162,25.64 lakhs (net of transfer expenses of Rs. 30,00.00 lakhs), reported as an exceptional item in the statement of profit and loss. Consequently, the results for the current financial year and balance sheet figures are not comparable with the previous financial year.

The list of assets and liabilities pertaining to the New Vehicle finance business as on January 31, 2017 were as follows:

Particulars	Amount (Rs. in lakhs)
Liabilities	
Long-term borrowings	8998,13.98
Other long-term liabilities	41,08.41
Long-term provisions	156,63.31
Short-term borrowings	3598,47.81
Trade payables	70,29.88
Other Current liabilities	2692,96.53
Short-term provisions	22,35.06
Total liabilities	15579,94.98
Assets	
Fixed assets	19,95.56
Intangible assets	1,98.25
Non-current investments	30,23.05
Non-current finance receivables	9249,19.44
Long-term loans and advances	40,15.69
Other non-current assets	97,06.60
Current investments	28,82.39
Trade receivables	31,26.79
Cash and cash equivalent	606,82.32
Finance receivables	6391,10.26
Short term loans and advances	83,78.24
Other current assets	559,30.22
Total Assets	17139,68.81
Net assets (Total assets less total liabilities)	1559,73.83
Consideration received	2752,00.00
Less: Transfer expenses	30,00.00
Gain on transfer	1162,26.17



In addition to above, as part of the Scheme, the authorised share capital of the Company to the extent of Rs. 500,00.00 lakhs divided into 5,00,00,000 equity shares of face value Rs.100/- each has also been transferred to Sheba.

C) The Board of Directors of the Company passed a resolution at its meeting held on March 17, 2017 to exit from "Corporate Lending Business" (Transferred Business) by transferring the same to its wholly owned subsidiary (WOS), Tata Motors Finance Solutions Limited for a lump sum consideration of Rs. 269,00.00 lakhs. As per the Memorandum of Understanding dated March 31, 2017, the transfer of businesses became effective from end of business hours of March 31, 2017. The agreed total consideration for slump sale of Rs. 269,00 lakhs against the net assets value of Rs. 252,67.29 lakhs had resulted in capital gain to the Company of Rs.16,32.71 lakhs, reported as an exceptional item in the statement of profit and loss.

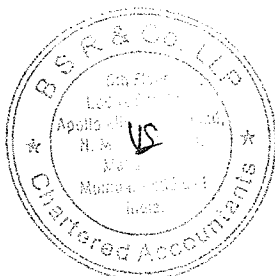
34. Core Investment Company ("CIC") Compliance Ratios

Sr. No.	Particulars	At March 31, 2018
1	Investments & loans to group companies as a proportion of Net Assets (%)	99.28%
2	Investments in equity shares and compulsorily convertible instruments of group companies as a proportion of Net Assets (%)	78.53%
3	Capital Adequacy Ratio (%) [Adjusted net worth / Risk Weighted Assets]	69.37%
4	Leverage ratio (times) [Outside liabilities / adjusted net worth]	0.85

During the year ended March 31, 2018, the RBI, on an application requesting for conversion of the Company to a Core Investment Company, has issued a fresh Certificate of Registration of NBFC - Non Deposit taking - Systemically Important - Core Investment Company dated October 12, 2017 to the Company. Hence, these ratios at March 31, 2017 has not been disclosed.

35. Asset Liability Maturity Pattern of certain items of Assets and Liabilities as per Annexure 4 of the Non Banking Financial Companies Corporate Governance (Reserve Bank) Direction 2015

Particulars	Deposits (note 1)	Advances (note 2)	Investments	Borrowings from banks/financial institutions	Rs. in lakhs
					Market borrowings (note 3 and 4)
Up to 30/31 days	-	1,15.43	50,00.00	-	675,00.00
	-	-	100,00.00	-	350,00.00
Over 1 months upto 2 months	-	1,08.29	-	-	580,00.00
	-	-	-	-	350,00.00
Over 2 months upto 3 months	-	1,09.11	-	-	300,00.00
	-	-	-	-	500,00.00
Over 3 months upto 6 months	-	3,32.26	-	-	300,00.00
	-	-	-	-	-
Over 6	-	6,87.28	-	250,00.00	-



Particulars	Deposits (note 1)	Advances (note 2)	Investments	Borrowings from banks/financial institutions	Market borrowings (note 3 and 4)
months upto 1 year	-	-	-	-	-
Over 1 year upto 3 years	-	30,09.47	-	-	974,98.62
Over 3 years upto 5 years	-	18,20.17	100,00.00	-	612,95.29
Over 5 years	-	1,62.62	5208,58.10	-	-
	-	-	4936,58.10	-	-
Total	-	63,44.64	5358,58.10	250,00.00	2829,98.62
	-	-	5036,58.10	-	2174,98.62

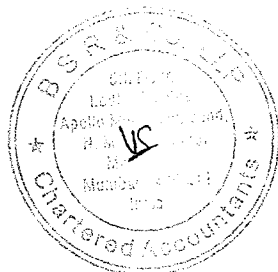
Notes

1. Represents fixed deposits with banks.
2. Advances are gross of provision for non-performing assets.
3. Includes commercial paper, which is considered gross of unamortized discount on issue.
4. Includes premium payable on redemption of zero coupon debentures.
5. Amounts in italics pertain to previous year.

36. Provisions and contingencies

Rs. in lakhs

Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31 2017
1	Provision for diminution in value of investment	-	-
2	Provision for doubtful loan and advances	-	(5,16.51)
3	Provision for doubtful finance receivables	-	(207,18.03)
	Less: Delinquency support	-	(17,63.18)
4	Provision made towards income tax (tax expense)	26,14.70	466,12.80
5	Provision for consumer disputes	-	72.35
6	Provision on standard assets	4,27.87	10,90.00



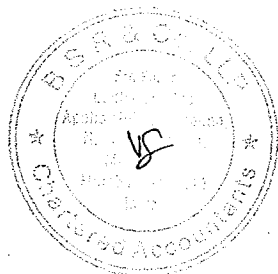
37. Ratings assigned by credit rating agencies and migrations of ratings during the year

Instrument	CRISIL		ICRA		CARE	
	At March 31, 2018	At March 31, 2017	At March 31, 2018	At March 31, 2017	At March 31, 2018	At March 31, 2017
Non-convertible debentures (NCDs)	CRISIL AA/Positive	CRISIL AA/Positive	ICRA AA/Positive	ICRA AA/Positive	CARE AA + / Stable	N.A.
Subordinated Tier II NCDs	N.A.	CRISIL AA/Positive	N.A.	ICRA AA/Positive	N.A.	N.A.
Subordinated perpetual NCDs	N.A.	CRISIL A+/Positive	N.A.	ICRA A+/Positive	N.A.	N.A.
Long term bank facilities	N.A.	CRISIL AA/Positive	ICRA AA/Positive	ICRA AA/Positive	CARE AA + / Stable	N.A.
Short term bank facilities	N.A.	CRISIL A1+	N.A.	ICRA A1+	CARE A1+	N.A.
Commercial papers	CRISIL A1+	CRISIL A1+	ICRA A1+	ICRA A1+	CARE A1+	N.A.

38. Other disclosures

- No penalties were imposed by RBI and other regulators during the financial year 2017-18. (March 31, 2017: Nil).
- The Company does not have any exposure in capital market at March 31, 2018 (March 31, 2017: Nil).
- The Company does not have exposure to the real estate sector (March 31, 2017: Nil).
- The Company has not entered in to any derivative contracts during the financial year 2017-18 or holds any exposure in respect of derivative transactions as on March 31, 2018 (March 31, 2017: Nil).
- The Company has not drawn down any amounts from the reserves during the financial year 2017-18. (March 31, 2017: Nil).

39. During the year ended March 31, 2018 the RBI, on application requesting for conversion of the Company to a Core Investment Company, has issued a fresh Certificate of Registration of NBFC - Non Deposit taking - Systemically Important - Core Investment Company dated October 12, 2017 to the Company. Hence, the previous year disclosures not relevant for CIC have not been disclosed in the current year financial statements.

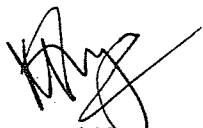


40. Comparative figures

Previous year's amounts have been re-grouped/re-classified wherever necessary to conform to current period's classification/disclosure.

41. Previous year's amounts have been audited by predecessor auditors.


For B S R & Co. LLP
Chartered Accountants
Firm Registration Number:
101248WW-100022



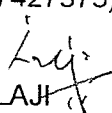
Manoj Kumar Vijai
Partner
Membership No. 046882

Place: Mumbai
Date: May 2, 2018

For and on behalf of the Board of Directors



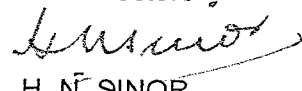
GUENTER BUTSCHEK
Chairman
(DIN - 07427375)



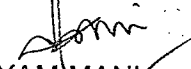
P.B. BALAJI
Director
(DIN - 02762983)



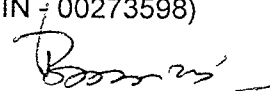
ANAND BANG
Chief Financial Officer



H.N. SINOR
Director
(DIN - 00074905)



SHYAM MANI
Managing Director
(DIN - 00273598)



VINAY LAVANNIS
Company Secretary

Place: Mumbai
Date: May 2, 2018

Schedule to the Balance Sheet as at March 31, 2018 of a non-deposit taking non-banking financial Company
(Disclosure as per Annexure 1 of Master Direction - Core Investment Companies (Reserve Bank) Directions)

(Rs. In lakhs)

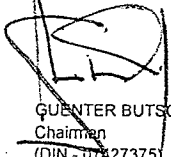
Particulars		Amount outstanding	Amount overdue
Liabilities side:			
(1)	Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid: *		
	(a) Debentures : Secured		-
	: Unsecured	837,09.33	-
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	250,00.00	-
	(d) Inter-corporate loans and borrowings	-	-
	(e) Commercial Papers (Note-2)	1829,32.63	-
	(f) Other Loans		
	- Working capital demand loan	-	-
	- Cash Credit	-	-
	- From banks	-	-
	- From others	-	-
Assets side:			
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		Amount Outstanding
	(a) Secured		-
	(b) Unsecured		1140,55.34
(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		4,18.44
	(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		-
	(b) Loans other than (a) above (refer note 1 & note 2 below)		-
(4)	Break-up of Investments:		
	<u>Current Investments:</u>		
	1 Quoted :		
	(i) Shares : (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		50,00.00
	(iv) Government Securities		-
	(v) Others		-
	2 Unquoted:		
	(i) Shares : (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others		-
	<u>Long Term Investments:</u>		
	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		-
	2 Unquoted:		
	(i) Shares : (a) Equity (Investment in subsidiaries)		470,858.10
	(b) Preference		30,000.00
	(ii) Debentures and Bonds		300,00.00
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others		-

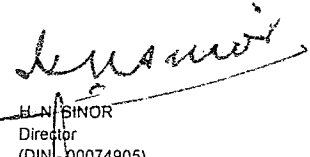
(5) Borrower group-wise classification of assets financed as in (2) and (3) above :			
		Amount net of provisions	
Category	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	5,000.00	5,000.00
(b) Companies in the same group	-	1094,73.78	109,473.78
(c) Other related parties	-	-	-
2 Other than Related Parties			
Total		1144,73.78	1144,73.78
(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	5208,58.10		5208,58.10
(b) Companies in the same group	100,00.00		100,00.00
(c) Other related parties	-		-
2 Other than Related Parties			
Total	5308,58.10		5308,58.10
(7) Other information			
Particulars			
(i) Gross Non-Performing Assets			
(a) Related parties			-
(b) Other than related parties			-
(ii) Net Non-Performing Assets			
(a) Related parties			-
(b) Other than related parties			-
(iii) Assets acquired in satisfaction of debt			-

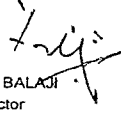
Note 1: Represents Zero coupon debentures which are gross of accredited value of premium on redemption of Rs. 87,09.33 lakhs.


Note 2: Commercial Paper are net of unamortised discounting charges amounting to Rs. 25,67.37 lakhs.


For and on behalf of the Board of Directors


GUENTER BUTSCHEK
Chairman
(DIN - 07427375)


H.N. BINOR
Director
(DIN - 00074905)


P.B. BALAJI
Director
(DIN - 02762983)


SHYAM MANI
Managing Director
(DIN - 00273598)


ANAND BANG
Chief Financial Officer


VINAY LAVANNIS
Company Secretary

Place: Mumbai
Date: May 2, 2018