

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

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

**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 Tata Motors Finance Limited (Formerly known as Sheba Properties Limited)

#### Report on the Financial Statements

We have audited the accompanying financial statements of Tata Motors Finance Limited (formerly known as Sheba Properties 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 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 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 financial statements are free from material misstatement.

**Independent Auditor's Report (Continued)**  
**Tata Motors Finance Limited**  
**(Formerly known as Sheba Properties Limited)**

**Auditor's Responsibility (Continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 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 financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 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)**  
**Tata Motors Finance Limited**  
**(Formerly known as Sheba Properties 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 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 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 financial statements – Refer Note 31 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 31 to the 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 have not been made since the requirement does not pertain to the financial year ended 31 March 2018. Corresponding amounts as appearing in the audited 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

## Tata Motors Finance Limited (Formerly known as Sheba Properties 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 except for the details given below:

| Particulars of the Land and Building                                   | Gross Block as on 31 March 2018 (Rs.in Lacs) | Net Block as on 31 March 2018 (Rs.in Lacs) | Remarks  |
|--|--|--|--|
| Residential Flat in Nilgiri Upvan Co-operative Housing Society Limited | 61.48  | 60.22                                      | This asset was acquired pursuant to a Scheme of arrangement for transfer of business undertaking (Scheme) under Section 391 to 394 of the Companies Act, 1956 between the Company and its parent entity erstwhile Tata Motors Finance Limited (TMFL). The title deeds are in the name of erstwhile TMFL which pursuant to the Scheme approved by National Company Law Tribunal have vested into the Company. |

In respect of immovable properties taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are 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.

**Tata Motors Finance Limited**  
**(Formerly known as Sheba Properties Limited)**

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

**(Continued)**

- 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, employees’ state insurance, 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 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, employees’ state insurance, income tax, sales tax, service tax, goods and service tax, value added tax, cess and other 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, the following dues have not been deposited by the Company on account of disputes.

| Name of the statute                      | Nature of dues | Amount involved (Rs. in Lacs) | Period to which it relates | Forum where dispute is pending   | Net of amount paid under protest* (Rs. in Lacs) |
|--|----------------|-------------------------------|----------------------------|--|---|
| Andhra Pradesh Value Added Tax Act, 2005 | VAT            | 1,005.28                      | FY 2007-08 to FY 2012-13   | High Court of Judicature at Hyderabad for the state of Telengana and the state of Andhra Pradesh | 670.19  |
| Andhra Pradesh Value Added Tax Act, 2005 | Penalty on VAT | 1,005.28                      | FY 2007-08 to FY 2012-13   | High Court of Judicature at Hyderabad for the state of Telengana and the state of Andhra Pradesh | 1,005.28  |
| Andhra Pradesh Value Added Tax Act, 2005 | VAT            | 2,213.49                      | FY 2013-14 to FY 2016-17   | High Court of Judicature at Hyderabad for the state of Telengana and the state of Andhra Pradesh | 2,213.49  |
| West Bangal Value Added Tax, 2003        | VAT            | 364.93                        | FY 2007-08 and 2011-12     | Supreme Court of India   | Nil   |

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**Tata Motors Finance Limited**  
**(Formerly known as Sheba Properties Limited)**

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

**(Continued)**

|  |             |          |                            |  |          |
|--|-------------|----------|----------------------------|--|----------|
| Madhya Pradesh Value Added Tax Act, 2006 | Entry Tax   | 79.42    | FY 2013-14                 | Appellate Authority, Bhopal                  | 47.65    |
| Uttar Pradesh Value Added Tax Act, 2008  | VAT         | 9.00     | FY 2007-08 and 2008-09     | Commercial Tax Tribunal, Lucknow (Appeal)    | Nil      |
| Jharkhand Value Added Tax Act, 2006      | VAT         | 21.12    | FY 2012-13                 | Commercial Tax, Additional officer (Appeals) | 21.12    |
| Finance Act, 1994                        | Service Tax | 523.33   | April 2006 to March 2015   | Commissioners (A), Service Tax, Mumbai       | 497.53   |
| Finance Act, 1994                        | Service Tax | 774.77   | January 2012 to March 2015 | CESTAT Mumbai                                | Nil      |
| Finance Act, 1994                        | Service Tax | 5,486.45 | FY 2008-09 to FY 2014-15   | Commissioner CGST & C.EX Mumbai South        | 5,486.45 |

\* The Company has deposited amount under protest

- 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 loans or borrowings to banks, financial institutions and dues to debenture holders. The Company does not have any outstanding borrowings from Government.
- ix. According to the information and explanations given to us and based on our examination of records of the Company, the term loans taken by the Company have been applied for the purpose for which they were raised. During the year, there were no money raised by way of initial public offer or further public offer (including debt instruments).
- 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, the Company has not paid/provided managerial remuneration during the year. Accordingly Paragraph 3(xi) of the Order is not applicable.
- 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.

*Handwritten signature*

**Tata Motors Finance Limited**  
**(Formerly known as Sheba Properties Limited)**

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

*(Continued)*

- 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 preferential allotment of shares during the year under review and in our opinion and according to the information and explanations given to us, the requirements of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds 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.
- 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

**Tata Motors Finance Limited**  
**(Formerly known as Sheba Properties Limited)**

**Annexure - B to the Independent Auditor's Report of even date on the financial statements of Tata Motors Finance Limited (Formerly known as Sheba Properties 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 Tata Motors Finance Limited (formerly known as Sheba Properties Limited) ("the Company") as of 31 March 2018 in conjunction with our audit of the 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 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.

NA

**Tata Motors Finance Limited  
(Formerly known as Sheba Properties Limited)**

**Annexure - B to the Independent Auditor's Report of even date on the  
financial statements of Tata Motors Finance Limited (Formerly known  
as Sheba Properties 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent limitations of internal financial controls 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

Balance Sheet as at March 31, 2018

(Rs. in Lakhs)

| Particulars   | Note | As at March 31, 2018 | As at March 31, 2017 |
|---|------|----------------------|----------------------|
| <b>I. EQUITY AND LIABILITIES</b>                                  |      |                      |                      |
| <b>(1) Shareholders' funds</b>                                    |      |                      |                      |
| (a) Share capital   | 3    | 913,73.42            | 716,49.01            |
| (b) Reserves and surplus  | 4    | 2514,85.25           | 2348,47.59           |
|   |      | <b>3728,58.67</b>    | <b>3064,96.60</b>    |
| <b>(2) Non-current liabilities</b>                                |      |                      |                      |
| (a) Long-term borrowings  | 5    | 8475,71.95           | 8375,16.34           |
| (b) Other long-term liabilities                                   | 6    | 123,87.42            | 38,80.97             |
| (c) Long-term provisions  | 7    | 235,53.99            | 320,48.79            |
|   |      | <b>8835,13.36</b>    | <b>8734,46.10</b>    |
| <b>(3) Current liabilities</b>                                    |      |                      |                      |
| (a) Short-term borrowings   | 8    | 7806,38.64           | 3983,78.69           |
| (b) Trade payables  | 9    |                      |                      |
| (i) Total outstanding dues of micro, small and medium enterprises |      | -                    | -                    |
| (ii) Total outstanding dues of creditors other than above         |      | 125,38.83            | 159,22.21            |
| (c) Other current liabilities                                     | 10   | 3001,91.91           | 2868,45.48           |
| (d) Short-term provisions   | 7    | 284,91.87            | 337,21.63            |
|   |      | <b>11278,61.25</b>   | <b>7348,68.01</b>    |
| <b>Total</b>  |      | <b>23842,33.28</b>   | <b>19148,10.71</b>   |
| <b>II. ASSETS</b>   |      |                      |                      |
| <b>(1) Non-current assets</b>                                     |      |                      |                      |
| (a) Fixed assets  |      |                      |                      |
| (i) Property, Plant and Equipment                                 | 11   | 43,37.90             | 23,33.88             |
| (ii) Intangible assets  | 12   | 1258,86.97           | 1255,25.64           |
| (iii) Capital work-in-progress                                    |      | 51.30                | -                    |
| (b) Non-current investments                                       | 13   | 134,24.92            | 132,60.91            |
| (c) Deferred tax assets (net)                                     | 15B  | 44,49.36             | -                    |
| (c) Finance receivables   | 16   | 13526,55.79          | 9771,36.50           |
| (d) Long-term loans and advances                                  | 17   | 98,15.08             | 20,46.24             |
| (e) Other non-current assets                                      | 18   | 156,30.78            | 93,94.96             |
|   |      | <b>15262,52.10</b>   | <b>11296,98.13</b>   |
| <b>(2) Current assets</b>   |      |                      |                      |
| (a) Current investments   | 14   | 32,54.94             | 125,59.16            |
| (b) Trade receivables   | 20   | 23,66.50             | 10,19.88             |
| (c) Cash and cash equivalents                                     | 21   | 730,77.73            | 715,45.50            |
| (d) Finance receivables   | 16   | 7687,90.23           | 6875,65.70           |
| (e) Short-term loans and advances                                 | 19   | 24,53.84             | 75,95.60             |
| (f) Other current assets  | 18   | 73,37.94             | 48,26.74             |
|   |      | <b>8579,81.18</b>    | <b>7851,12.58</b>    |
| <b>Total</b>  |      | <b>23842,33.28</b>   | <b>19148,10.71</b>   |

See accompanying summary of significant accounting policies and explanatory notes (1 to 57) 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

NASSER MUNJEE  
Chairman  
(DIN - 00010180)

P.B. BALAJI  
Director  
(DIN - 02762983)

SAMRAT GHPTA  
Chief Executive Officer

VINAY LAVANNIS  
Company Secretary

H. N. SINOR  
Director  
(DIN - 00074905)

SHYAM MANI  
Director  
(DIN - 00273598)

ANAND BANG  
Chief Financial Officer

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   | 22    | 2322,48.16                        | 375,98.14                         |
| II. Other income   | 23    | 70,98.29                          | 36,21.48                          |
| <b>III. Total Revenue (I + II)</b>   |       | <b>2393,46.45</b>                 | <b>412,19.62</b>                  |
| <b>IV. Expenses:</b>   |       |                                   |                                   |
| (1) Employee benefits expense  | 24    | 246,18.91                         | 38,74.02                          |
| (2) Finance costs  | 25    | 1073,18.79                        | 175,50.41                         |
| (3) Depreciation and amortisation expense                                    | 11,12 | 12,54.78                          | 2,43.74                           |
| (4) Other expenses   | 26    | 704,00.59                         | 139,06.94                         |
| <b>Total expenses</b>  |       | <b>2035,93.07</b>                 | <b>35,575.11</b>                  |
| <b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b> |       | <b>357,53.38</b>                  | <b>56,44.51</b>                   |
| VI. Exceptional items  |       | -                                 | -                                 |
| <b>VII. Profit before extraordinary items and tax (V - VI)</b>               |       | <b>357,53.38</b>                  | <b>56,44.51</b>                   |
| VIII. Extraordinary Items  |       | -                                 | -                                 |
| <b>IX. Profit before tax (VII - VIII)</b>                                    |       | <b>357,53.38</b>                  | <b>56,44.51</b>                   |
| X. Tax expense   | 15    | 29,95.25                          | 12,53.56                          |
| <b>XI. Net profit for the year (IX -X)</b>                                   |       | <b>327,58.13</b>                  | <b>43,90.95</b>                   |
| <b>XII. Earnings per equity share (of Rs. 100/- each)</b>                    |       |                                   |                                   |
| Basic (in Rs.)   | 28    | 57.92                             | 28.42                             |
| Diluted (in Rs.)   |       | 56.51                             | 28.42                             |

See accompanying summary of significant accounting policies and explanatory notes (1 to 57) forming part of the financial statements


As per our report of even date attached

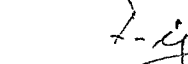
For B S R & Co. LLP  
Chartered Accountants  
Firm Registration Number: 101248WW-100022

  
Manoj Kumar Vijai  
Partner  
Membership No. 046882

Place: Mumbai  
Date: May 2, 2018

For and on behalf of the Board of Directors

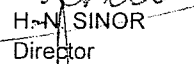
  
NASSER MUNJEE  
Chairman  
(DIN - 00010180)

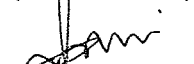
  
P.B. BALAJI  
Director  
(DIN - 02762983)

  
SAMRAT GUPTA  
Chief Executive Officer

  
VINAY LAVANNIS  
Company Secretary

Place: Mumbai  
Date: May 2, 2018

  
H.N. SINOR  
Director  
(DIN - 00074905)

  
SHYAM MANJ  
Director  
(DIN - 00273598)

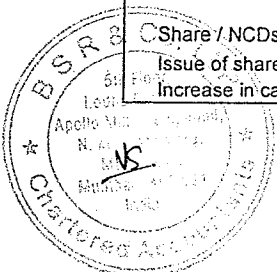
  
ANAND BANG  
Chief Financial Officer

TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)  
(CIN - U45200MH1989PLC050444)

Cash Flow Statement for the year ended March 31, 2018

(Rs. in Lakhs)

| Particulars  | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |                                      |                                      |
| Net Profit before tax  | 357,53.38                            | 56,44.51                             |
| Adjustments for:   |                                      |                                      |
| Interest income  | (2112,97.07)                         | (338,72.70)                          |
| Interest income on long-term trade investments, bank deposits, etc.                | (34,59.95)                           | (6,76.73)                            |
| Dividend from long term investments  | (4,05.80)                            | (4,85.48)                            |
| Discounting charges on commercial paper  | 304,91.79                            | 37,37.35                             |
| Depreciation and amortisation expense  | 12,54.78                             | 2,43.74                              |
| Net gains on sale/ redemption of Investments                                       | (8,96.05)                            | (21,66.11)                           |
| Interest expense and other borrowing costs   | 768,27.00                            | 138,13.08                            |
| Loss on sale of fixed assets (net)   | 1,30.70                              | 0.16                                 |
| Provision for diminution in the value of long-term Investment                      | (3,13.54)                            | 2,92.04                              |
| Provision for employee benefit schemes   | (71.71)                              | (10.69)                              |
| Provision for Indirect tax   | 6.67                                 | 6.65                                 |
| Provision for doubtful finance receivables and finance receivables written off     | 303,23.81                            | 48,95.10                             |
| Provisions on standard assets  | 20,45.00                             | 2,58.80                              |
| Provision for doubtful loans and advances  | 12,37.76                             | 11.89                                |
| <b>Operating cash flows before working capital changes</b>                         | <b>(383,73.23)</b>                   | <b>(83,08.39)</b>                    |
| Movements in working capital:  |                                      |                                      |
| Other assets   | (57,90.28)                           | 48,320.91                            |
| Short-term advances  | 39,04.00                             | (23,75.92)                           |
| Finance receivables  | (5022,76.64)                         | (577,30.05)                          |
| Long-term advances   | (1,91.14)                            | (2,25.64)                            |
| Trade receivables  | (13,46.62)                           | 21,06.91                             |
| Trade payables   | (33,83.38)                           | 50,79.13                             |
| Other current liabilities  | 161,56.57                            | 16,54.71                             |
| Other long-term liabilities  | 85,06.45                             | (4,35.73)                            |
| Margin Money/ Cash Collateral with banks   | (72,32.21)                           | -                                    |
|  | <b>(4916,53.25)</b>                  | <b>(36,05.68)</b>                    |
| Current taxes paid (net)   | (44,20.43)                           | (440.50)                             |
| Discounting charges/premium on commercial papers and zero coupon bonds paid        | (533,98.20)                          | (68,59.40)                           |
| Interest expense   | (808,42.80)                          | (131,80.98)                          |
| Interest income  | 2100,43.82                           | 334,13.83                            |
| <b>Net cash (used in) / from operating activities</b>                              | <b>(4586,44.09)</b>                  | <b>10,18.88</b>                      |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |                                      |                                      |
| Purchase of fixed assets (including capital work-in-progress and capital advances) | (43,34.46)                           | (1,17.30)                            |
| Proceeds from sale of fixed assets   | 34.79                                | 3.71                                 |
| Realisation from short-term senior pass through certificates                       | (9,86.45)                            | 6,02.82                              |
| Realisation from long-term investments   | 3,76.42                              | -                                    |
| Purchase of long-term investments  | -                                    | (24.15)                              |
| Purchase of current investments  | (8956,05.00)                         | (6488,33.71)                         |
| Proceeds from sale/redemption of current investments                               | 9060,01.13                           | 6444,93.63                           |
| Proceeds from sale/redemption of long-term investments                             | -                                    | 50,61.33                             |
| Consideration paid for acquisition of business                                     | -                                    | (2752,00.00)                         |
| Dividend from long-term investments  | 4,05.80                              | 4,85.48                              |
| Interest income on long term trade investments, bank deposits, etc.                | 34,38.11                             | 42,99.53                             |
| <b>Net cash flows from investing activity</b>                                      | <b>93,30.34</b>                      | <b>(2692,28.66)</b>                  |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |                                      |                                      |
| Share / NCDs issue expenses  | (89.60)                              | (5,12.64)                            |
| Issue of share capital (including securities premium thereon)                      | 600,00.00                            | 2857,00.03                           |
| Increase in cash credit (net)  | 174,84.96                            | 1311,74.06                           |



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)  
(CIN - U45200MH1989PLC050444)

Cash Flow Statement for the year ended March 31, 2018

(Rs. in Lakhs)

| Particulars   | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Proceeds from short-term borrowings less than 3 months      | 19175,31.17                          | -                                    |
| Repayment of short-term borrowings less than 3 months       | (15842,03.45)                        | (681,45.20)                          |
| Proceeds from short-term borrowings 3 months and above      | 5191,67.88                           | 195,46.94                            |
| Repayment of short-term borrowings 3 months and above       | (4870,28.20)                         | (431,71.85)                          |
| Proceeds from long-term borrowings                          | 3055,00.00                           | 550,00.00                            |
| Repayment of long-term borrowings                           | (2930,37.14)                         | (996,20.00)                          |
| Dividend paid (including corporate dividend tax)            | (86,50.80)                           | (9,38.80)                            |
| <b>Net cash flows / (used in) financing activities</b>      | <b>4466,74.82</b>                    | <b>2790,32.54</b>                    |
| <b>Net decrease / increase in cash and cash equivalents</b> | <b>(26,38.92)</b>                    | <b>10,822.74</b>                     |

| Particulars  | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| <b>Cash and cash equivalents as at the beginning of the year (refer note 21)</b> | <b>215,45.50</b>                     | <b>40.19</b>                         |
| Cash and cash equivalents included on business acquisition                       | -                                    | 106,82.57                            |
| <b>Cash and cash equivalents as at the end of the year (refer note 21)</b>       | <b>189,06.58</b>                     | <b>215,45.50</b>                     |
| <b>Net decrease / increase in cash and cash equivalents</b>                      | <b>(26,38.92)</b>                    | <b>108,22.74</b>                     |


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 figures have been regrouped or reclassified, wherever necessary to conform to current period classification.


As per our report of even date attached

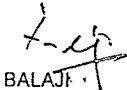
For and on behalf of the Board of Directors

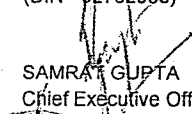
For B S R & Co. LLP  
Chartered Accountants  
Firm Registration Number: 101248WW-100022


  
Mahoj Kumar Vijai  
Partner  
Membership No. 046882

Place: Mumbai  
Date: May 2, 2018

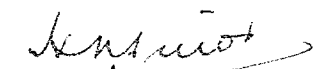
  
NASSER MUNJEE  
Chairman  
(DIN - 00010180)


  
P.B. BALAJI  
Director  
(DIN - 02762983)

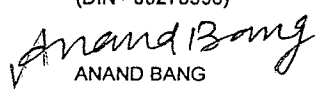
  
SAMRAT GUPTA  
Chief Executive Officer

  
VINAY LAVANNIS  
Company Secretary

Place: Mumbai  
Date: May 2, 2018

  
F. N. SINOR  
Director  
(DIN - 00074905)

  
SHYAM MANI  
Director  
(DIN - 00273598)

  
ANAND BANG  
Chief Financial Officer

## Note 1 – CORPORATE INFORMATION

Tata Motors Finance Limited (the Company) is registered as a Non-Banking Financial (Non-Deposit Accepting or Holding) Company with the Reserve Bank of India with effect from March 4, 1998. The Company is a subsidiary of TMF Holdings Limited (Formerly known as Tata Motors Finance Limited). With effect from June 30, 2017, the name of the Company has changed to Tata Motors Finance Limited from Sheba Properties Limited.

## 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. 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 and future periods.

### C. Operating Cycle

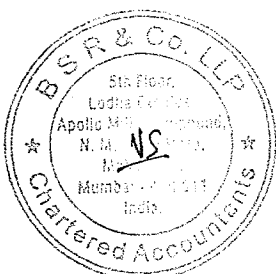
Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### D. Revenue recognition

#### 1. Income on finance receivables

Interest income is recognised in the statement of profit and loss on an accrual basis, except in 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 / direct assignments 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 tenure of securities issued by Special Purpose Vehicle (SPV) in accordance with guidelines issued by the RBI. Further, in case of securitisation transactions where the Company 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.

In case of direct assignment, 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 based on method prescribed by the RBI guidelines.

Legal and incidental expenses relating to securitisation / direct assignment 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 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**

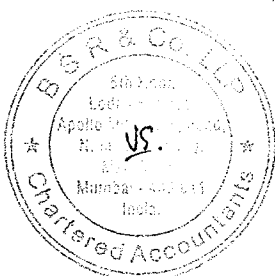
Discount on issue of debentures and premium payable on redemption of debentures is amortised on straight line basis over the period of the instruments and is adjusted from securities premium account. Expenses incurred on issue of debentures are adjusted from securities premium account.

## **F. Share issue expenses**

Share issue expenses are adjusted from securities premium account.

## **G. 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.

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

#### 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

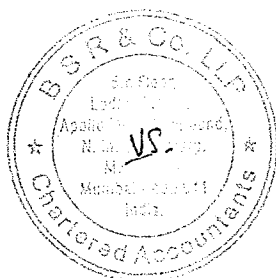
Liability towards the Company's defined benefit plans are determined using the projected unit credit method, based on an independent actuarial valuation at the end of the year. Actuarial valuation of defined benefit plans is determined based on certain assumptions regarding rate of interest, salary growth, 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.



### M. Investments

The Company 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.

### N. Impairment of goodwill

At each balance sheet date, the Company assesses whether there is any indication that the goodwill may be impaired. If any such impairment indicators exist, the recoverable amount of an asset is estimated to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss recognised for goodwill is not reversed in the subsequent period unless there are changes in external events.

### O. Taxation

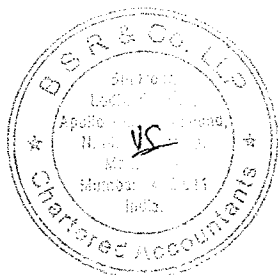
Tax expenses are aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the year.

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.

#### **P. 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.

#### **Q. Provisions, contingent liability and contingent assets**

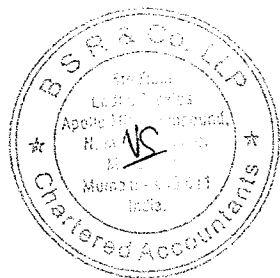
Provisions are recognised in accounts in respect of present probable obligations arising out of past events, the amount of which can be reliably estimated. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably 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.

#### **R. 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.



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

Note 3  
Share Capital

| Particulars  | As at March 31, 2018 |            | As at March 31, 2017 |            |
|--|----------------------|------------|----------------------|------------|
|  | Number               | Rs.        | Number               | Rs.        |
| (Rs. in Lakhs)   |                      |            |                      |            |
| <b>Authorised</b>  |                      |            |                      |            |
| Equity Shares of Rs.100 each with voting rights  | 150,000,000          | 1500,00.00 | 150,000,000          | 1500,00.00 |
| Preference shares of Rs.100 each   | 50,000,000           | 500,00.00  | 50,000,000           | 500,00.00  |
|  |                      | 2000,00.00 |                      | 2000,00.00 |
| <b>Issued, Subscribed and Fully Paid up</b>  |                      |            |                      |            |
| Equity Shares of Rs.100 each   | 53,873,415           | 538,73.42  | 49,149,006           | 491,49.01  |
| Cumulative, Non-Participating Compulsorily Convertible Preference Share (CCPS) of Rs. 100 each | 37,500,000           | 375,00.00  | 22,500,000           | 225,00.00  |
| <b>Total</b>   |                      | 913,73.42  |                      | 716,49.01  |

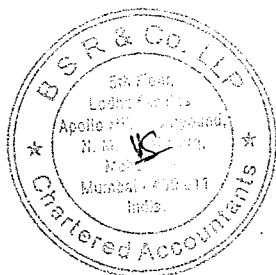
a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Equity Shares                                      | As at March 31, 2018 |                  | As at March 31, 2017 |                  |
|--|----------------------|------------------|----------------------|------------------|
|  | Number               | Rs.              | Number               | Rs.              |
| Shares outstanding at the beginning of the period  | 49,149,006           | 491,49.01        | 7,500,000            | 75,00.00         |
| Shares Issued during the period                    | 4,724,409            | 47,24.41         | 41,649,006           | 416,49.01        |
| <b>Shares outstanding at the end of the period</b> | <b>53,873,415</b>    | <b>538,73.42</b> | <b>49,149,006</b>    | <b>491,49.01</b> |

| Cumulative, Non-Participating CCPS                 | As at March 31, 2018 |                  | As at March 31, 2017 |                  |
|--|----------------------|------------------|----------------------|------------------|
|  | Number               | Rs.              | Number               | Rs.              |
| Shares outstanding at the beginning of the period  | 22,500,000           | 225,00.00        | -                    | -                |
| Shares Issued during the period                    | 15,000,000           | 150,00.00        | 22,500,000           | 225,00.00        |
| <b>Shares outstanding at the end of the period</b> | <b>37,500,000</b>    | <b>375,00.00</b> | <b>22,500,000</b>    | <b>225,00.00</b> |

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

| Particulars  | As at March 31, 2018  |              | As at March 31, 2017  |              |
|--|-----------------------|--------------|-----------------------|--------------|
|  | Number of shares held | % of holding | Number of shares held | % of holding |
| <b>A. Equity shares with voting rights</b>                           |                       |              |                       |              |
| <b>Holding Company</b>   |                       |              |                       |              |
| TMF Holdings Limited (Formerly known as Tata Motors Finance Limited) | 52,051,399            | 96.62        | 47,326,990            | 96.29        |
| <b>Subsidiaries of holding company</b>                               |                       |              |                       |              |
| Tata Motors Finance Solutions Limited                                | 1,822,016             | 3.38         | 1,822,016             | 3.71         |
| <b>B. Cumulative, Non-Participating CCPS</b>                         |                       |              |                       |              |
| TMF Holdings Limited (Formerly known as Tata Motors Finance Limited) | 15,000,000            | 40.00        | 22,500,000            | 100.00       |



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

C) 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 of shares held | % of holding in that class of shares | Number of shares held | % of holding in that class of shares |
| <b>Equity Share with voting rights</b>                               |                       |                                      |                       |                                      |
| TMF Holdings Limited (Formerly known as Tata Motors Finance Limited) | 52,051,399            | 96.62                                | 47,326,990            | 96.29                                |
| <b>Cumulative, Non-Participating CCPS</b>                            |                       |                                      |                       |                                      |
| TMF Holdings Limited (Formerly known as Tata Motors Finance Limited) | 15,000,000            | 40.00                                | 22,500,000            | 100.00                               |
| Aditya Birla Finance Limited   | 10,000,000            | 26.67                                | -                     | -                                    |

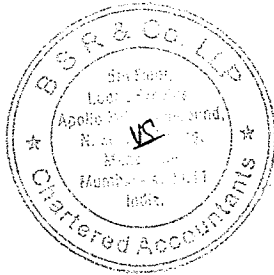
d) Terms / rights attached to equity shares:

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

e) Terms / rights attached to preference shares:

1) During FY 2016-17, the Company had issued 2,25,00,000 privately placed, cumulative, non-participating compulsorily convertible preference shares (CCPS) bearing a face value of Rs. 100 each at a price of Rs. 200 per share aggregating to Rs. 450,00.00 lakhs. The holders of the CCPS are entitled for dividend @ 8.20% 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. 2.89 Preference shares will be converted into 1 equity shares of face value of Rs. 100 each. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.

2) During FY 2017-18, the Company had issued 1,50,00,000 privately placed, cumulative, non-participating compulsorily convertible preference shares (CCPS) bearing a face value of Rs. 100 each at a price of Rs. 200 per share aggregating to Rs. 300,00.00 lakhs. The holders of the CCPS are entitled for dividend @ 8.20% on a yearly basis, in preference to the equity shareholders of the Company, subject to applicable law, availability of profits of the Company, after provision for depreciation. The CCPS shall fully and mandatorily be converted into equity shares of the Company on the date falling at the expiry of 7 years from the CCPS allotment date. 3.17 Preference shares will be converted into 1 equity shares of face value of Rs. 100 each. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.



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

Note 4

Reserves & Surplus

(Rs. in Lakhs)

| Particulars  | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| <b>a. Capital Redemption Reserve</b>   |                      |                      |
| Balance as per the last financial statements   | 0.02                 | 0.02                 |
| Add: Transfer from surplus in the statement of profit and loss   | -                    | -                    |
| <b>Closing Balance</b>   | <b>0.02</b>          | <b>0.02</b>          |
| <b>b. Securities Premium Account</b>   |                      |                      |
| Balance as per the last financial statements   | 2187,37.53           | -                    |
| Add: Premium on equity shares issued during the year   | 252,75.59            | 1,90,51.90           |
| Add: Premium on CCPS issued during the year  | 150,00.00            | 225,00.00            |
| Less: Shares / Debentures issue expenses<br>(Gross Rs 1,05.27 lakhs, net of tax of Rs 15.67 Lakhs; March 2017<br>Gross Rs 5,12.64, net of tax of Nil)                                      | 89.60                | 5,12.64              |
| Less: Amortisation of premium on redemption of debentures (Gross<br>Rs 269,99.71 lakhs, net of tax of Rs 93,44.05 Lakhs; March 2017<br>Gross Rs 35,18.52, net of tax of Rs 12,17.65 Lakhs) | 176,55.66            | 23,00.83             |
| <b>Closing Balance</b>   | <b>2412,67.86</b>    | <b>2187,37.53</b>    |
| <b>c. Special Reserve*</b>   |                      |                      |
| Balance as per the last financial statements   | 68,60.88             | 59,82.69             |
| Add: Transfer from surplus in the statement of profit and loss   | 65,51.63             | 8,78.19              |
| <b>Closing Balance</b>   | <b>134,12.51</b>     | <b>68,60.88</b>      |
| <b>d. General Reserve</b>  |                      |                      |
| Balance as per the last financial statements   | 17,85.59             | 17,85.59             |
| Add: Transfer from surplus in the statement of profit and loss   | -                    | -                    |
| <b>Closing Balance</b>   | <b>17,85.59</b>      | <b>17,85.59</b>      |
| <b>e. Surplus in the statement of profit and loss</b>  |                      |                      |
| Balance as per the last financial statements   | 74,63.57             | 44,92.42             |
| Add: Net Profit for the year   | 327,58.13            | 43,90.95             |
| Less: Transfer to Special Reserve*   | 65,51.63             | 8,78.19              |
| Less: Dividend on equity shares (see note 1)   | 14,74.38             | -                    |
| Less: Dividend on preference shares (see note 1)   | 18,45.00             | -                    |
| Less: Interim dividend on equity shares (see note 2)   | 38,68.11             | 4,50.00              |
| Less: Tax on dividend (see note 1 & 2)   | 14,63.31             | 91.61                |
| <b>Net surplus in the Statement of Profit and Loss</b>   | <b>250,19.27</b>     | <b>74,63.57</b>      |
| <b>Total</b>   | <b>2814,85.25</b>    | <b>2348,47.59</b>    |

\*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. 3.00/- per Equity Share and dividend of Rs 8.20 per CCPS for the FY2016-17. 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 7.18/- per Equity Share. The dividend has been paid on March 31, 2018.

Note 3: The Board of Directors, at its meeting held on May 2, 2018 recommended a final dividend of Rs. 12.28 per equity share of Rs. 100 each (12.28%) and Rs 8.20 per CCPS of Rs 100 each (8.20%), 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.



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)

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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 (secured) (gross of accreted value of premium on redemption of Rs. 109,41.24 Lakhs; March 31, 2017 Rs. 95,03.49 Lakhs) | 1886,41.23           | 2356,03.48           |
| (b) Privately placed subordinated unsecured redeemable, non-convertible debentures (Dues to related party Rs 200,00.00 Lakhs; March 31, 2017 Rs. Nil)                  | 1384,90.00           | 1134,90.00           |
| (c) Privately placed subordinated unsecured non-convertible perpetual debentures   | 375,30.00            | 375,30.00            |
|  | <b>3646,61.23</b>    | <b>3866,23.48</b>    |
| (ii) Term loans from banks   |                      |                      |
| (a) Secured  | 3704,10.72           | 2758,92.86           |
| (b) Unsecured  | 1125,00.00           | 1750,00.00           |
|  | <b>4829,10.72</b>    | <b>4508,92.86</b>    |
| <b>Total</b>   | <b>8475,71.95</b>    | <b>8375,16.34</b>    |

**1. Nature and extent of Security created and maintained for secured Non-convertible debentures (NCDs) (privately placed) listed on wholesale debt market segment of NSE as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.**

1(A) Nature:

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

- i) Company's residential flat; (Refer note 11)
- 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.

1 (B) Extent:

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

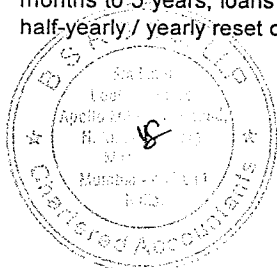
**2. Nature of security for secured term loans from banks :**

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

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

**3. Terms of repayment for Term Loans**

The term loans from banks are repayable at periodic intervals on a quarterly / half-yearly basis. The interest rate on term loans from banks are in the range of 7.85% to 9.35% per annum. Tenure of such loans ranges from 1 year 11 months to 5 years, loans are borrowed at a floating rate of interest linked to MCLR / bank's base rate plus spread with half-yearly / yearly reset options. On the reset date, the Company has an option to repay the loans.



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

Note 6  
Other long-term liabilities

(Rs. in Lakhs)

| Particulars  | As at March 31,<br>2018 | As at March 31,<br>2017 |
|--|-------------------------|-------------------------|
| Income received in advance   | 100,53.01               | 20,69.87                |
| Unrealised gain on loan transfer transactions  | 20,63.73                | 15,73.15                |
| Deposits (not covered in Section 2(31) of Companies Act, 2013) (Due to related party Rs 2,35.00 Lakhs: March 31, 2017 Rs. 2,35.00 Lakhs) | 2,70.68                 | 2,37.95                 |
| <b>Total</b>   | <b>123,87.42</b>        | <b>38,80.97</b>         |

Note 7  
Provisions

(Rs. in Lakhs)

| Particulars                                      | As at March 31,<br>2018 | As at March 31,<br>2017 |
|--|-------------------------|-------------------------|
| <b>A) Long-term provisions</b>                   |                         |                         |
| Provision for employee benefits                  | 7,33.91                 | 8,46.80                 |
| Provision for Indirect tax related contingencies | 111,99.99               | 111,93.32               |
| Provision for finance receivables                | 61,96.07                | 163,60.71               |
| Contingent provisions against standard assets    | 54,24.02                | 36,47.96                |
| <b>Total</b>                                     | <b>235,53.99</b>        | <b>320,48.79</b>        |
| <b>B) Short-term provisions</b>                  |                         |                         |
| Provision for employee benefits                  | 88.95                   | 47.77                   |
| Provision for income tax (net of advance tax)    | 8,02.42                 | 57.81                   |
| Provision for finance receivables                | 249,13.08               | 311,97.57               |
| Contingent provisions against standard assets    | 26,87.42                | 24,18.48                |
| <b>Total</b>                                     | <b>284,91.87</b>        | <b>337,21.63</b>        |

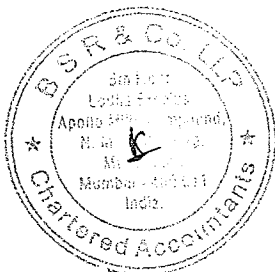
Movement of provisions (long-term and short-term)

Provision for indirect taxes related contingencies

(Rs. in Lakhs)

| Particulars                           | As at March 31,<br>2018 | As at March 31,<br>2017 |
|---------------------------------------|-------------------------|-------------------------|
| Opening Balance                       | 111,93.32               | -                       |
| Add: Acquired on business acquisition | -                       | 111,86.67               |
| Add: Provision                        | 6.67                    | 6.65                    |
| <b>Closing Balance</b>                | <b>111,99.99</b>        | <b>111,93.32</b>        |

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



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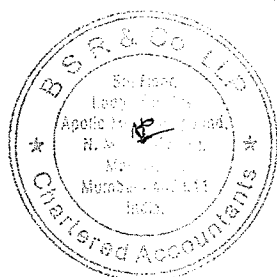
Notes forming part of the Financial Statements for the year ended March 31, 2018

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 "E" 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     |
|   | 4147,98.67        |                    |
| Less: Unamortised premium on redemption           | 301,25.55         |                    |
| <b>Total</b>                                      | <b>3846,73.12</b> |                    |
| Less: Current portion of long-term borrowings     | 1960,31.89        |                    |
| <b>Total</b>                                      | <b>1886,41.23</b> |                    |

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



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

**B. Privately placed Subordinated Non Convertible Unsecured Redeemable Debentures**

| Particulars  | (Rs. in lakhs)    | Redemption Date    |
|--|-------------------|--------------------|
| <b>Face value of Rs. 10 Lakhs each (Redeemable at par)</b> |                   |                    |
| 9.00% TMFL – Tier II Debentures – "B" FY 2017-18           | 200,00.00         | March 28, 2028     |
| 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  |
| <b>Face value of Rs. 5 Lakhs each (Redeemable at par)</b>  |                   |                    |
| 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   |
|  | <b>1384,90.00</b> |                    |

**C. 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         |
|                                      | <b>375,30.00</b> |                  |

**Terms of redemption:**

Redemption period is not applicable as the NCDs are perpetual. The Company 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 bps.



**TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)**

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

**Note 8**

**Short-term borrowings**

(Rs. in Lakhs)

| Particulars  | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| (i) Loans repayable on demand  |                      |                      |
| From Banks   |                      |                      |
| -Cash credit (including WCDL) (secured)  | 2096,04.01           | 1326,19.05           |
|  | <b>2096,04.01</b>    | <b>1326,19.05</b>    |
| (ii) Inter corporate deposits (Unsecured) (Due to related party Rs 50,00.00 Lakhs: March 31, 2017 Rs. Nil)   | 80,00.00             | -                    |
| (iii) Commercial papers (unsecured)<br>(net of unamortised discounting charges Rs. 54,65.37 Lakhs ranging from 6.94% to 8.06%; March 31, 2017 Rs. 47,40.36 Lakhs ranging from 6.25% to 9.55%)<br>(Maximum amount outstanding Rs. 6110,00.00 Lakhs; March 31, 2017: Rs. 5300,00.00 Lakhs) | 5630,34.63           | 2657,59.64           |
| <b>Total</b>   | <b>7806,38.64</b>    | <b>3983,78.69</b>    |

**Nature of security for Cash credit (including WCDL) as on March 31, 2018**

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

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

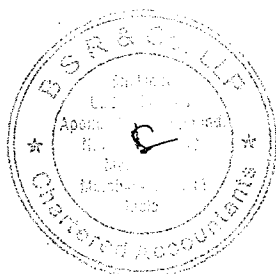
**Note 9**

**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 (Due to related party Rs 2,60.91 Lakhs: March 31, 2017 Rs 11.33 lakhs) | 125,38.83            | 159,22.21            |
| <b>Total</b>  | <b>125,38.83</b>     | <b>159,22.21</b>     |

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



**TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)**

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

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:   |                      |                      |
| Privately placed non-convertible debentures (secured) (Gross of accreted value of premium on redemption of Rs. 189,31.89 lakhs; March 31, 2017 Rs. 155,71.22 lakhs) | 1960,31.89           | 1857,01.23           |
| Term loans from banks   |                      |                      |
| -Secured  | 184,82.14            | 41,07.14             |
| -Unsecured  | 375,00.00            | 550,00.00            |
|   | 2520,14.03           | 2448,08.37           |
| Interest accrued but not due on borrowings ( (Due to related party Rs 17.75 Lakhs: March 31, 2017 Rs. Nil)  | 153,89.43            | 194,05.23            |
| Income received in advance  | 36,89.48             | 13,24.16             |
| Unrealised gain on loan transfer transactions   | 52,68.36             | 41,96.10             |
| Payable to investors of assigned / securitised receivables (Due to related party Rs 67,65.63 Lakhs: March 31, 2017 Rs Nil)  | 164,92.52            | 73,92.31             |
| Statutory dues  | 28,90.54             | 8,33.93              |
| Other Liabilities# (Due to related party Rs 5,91.06 Lakhs: March 31, 2017 Rs Nil)   | 104,47.55            | 88,85.38             |
| <b>Total</b>  | <b>3061,91.91</b>    | <b>2868,45.48</b>    |

# includes provision of Rs 56.44 lakhs (Rs 75.42 lakhs as of March 31, 2017) on account of pending litigation.

**1. Nature of security for secured borrowings outstanding as on March 31, 2018**

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

1(A) Nature

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

- i) Company's residential flat (Refer note 11) and
- ii) a) All receivables of the Company arising out of loan and lease transactions
- b) All other book debts, trade advances forming part of movable assets of the Company
- c) Any other security as identified by the Company and acceptable to the debenture trustee

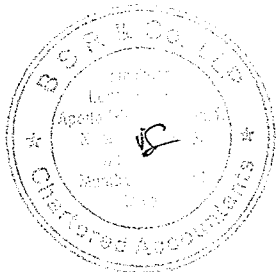
1 (B) Extent:

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

**2. Nature of Security for secured term loans from banks:**

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

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



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES 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<br>As at March 31,<br>2018 |
|---------------------------------------|--|-----------------|----------------|---|------------------------------|--------------|--------------------------------------|
|                                       | Opening balance<br>as at April 01,<br>2017 | Additions       | Deletions      | Closing balance as<br>at March 31, 2018 | Depreciation for<br>the year | Deletions    |                                      |
| Residential flat                      | 61.48                                      | -               | -              | 61.48                                   | 1.09                         | -            | 60.22                                |
| Building - given on lease             | 61.48                                      | -               | -              | 61.48                                   | 0.18                         | -            | 61.30                                |
| Furniture and fixtures                | 7,53.06                                    | -               | -              | 7,53.06                                 | 10.48                        | -            | 3,98.67                              |
| Vehicles                              | 11,32.59                                   | 77.18           | 17.88          | 11,91.88                                | 37.66                        | 13.46        | 4,09.15                              |
| Vehicles - given on lease             | 11,25.25                                   | 7.34            | -              | 11,32.59                                | 89.88                        | -            | 7,34.80                              |
| Plant and equipments - given on lease | 2,65.60                                    | 1,98.37         | 50.42          | 4,13.55                                 | 1,25.66                      | 19.68        | 10,42.71                             |
| Office equipments                     | 2,11.55                                    | 57.89           | 3.84           | 2,65.60                                 | 24.42                        | 0.29         | 2,83.44                              |
| Data processing machines              | -  | 22,70.54        | -              | 22,70.54                                | 1,72.14                      | -            | 2,41.47                              |
| Plant and equipments - given on lease | 3,15.06                                    | -               | -              | 3,15.06                                 | -                            | -            | 20,98.40                             |
| Office equipments                     | 3,15.06                                    | -               | -              | 3,15.06                                 | -                            | -            | -                                    |
| Data processing machines              | 4,17.49                                    | 4,08.73         | 1,35.49        | 6,90.73                                 | 1,90.05                      | 59.21        | 5,21.95                              |
| Plant and equipments - given on lease | 4,04.81                                    | 12.68           | -              | 4,17.49                                 | 37.94                        | -            | 3,79.55                              |
| Office equipments                     | 2,11.88                                    | 2,33.43         | 54.04          | 3,91.27                                 | 1,38.65                      | -            | 2,40.43                              |
| Data processing machines              | 1,93.44                                    | 18.44           | -              | 2,11.88                                 | 12.19                        | -            | 1,99.69                              |
| <b>Total</b>                          | <b>31,57.16</b>                            | <b>31,88.25</b> | <b>2,57.84</b> | <b>60,87.58</b>                         | <b>10,18.72</b>              | <b>92.35</b> | <b>43,37.91</b>                      |
| <b>As of March 31, 2017</b>           | <b>30,64.65</b>                            | <b>96.35</b>    | <b>3.84</b>    | <b>31,57.17</b>                         | <b>2,02.27</b>               | <b>0.29</b>  | <b>23,33.88</b>                      |

Note 12

Intangible Assets - Other than internally generated

1. Residential flat / Building include  
(a) Rs. 1,000/- being value of investment in 20 shares of Rs. 50/- each in Nilgiri Upvan Co-operative Housing Society Limited., certificate in respect of which is yet to be recorded in name of the Company.  
(b) Rs. 500 (as at March 31, 2017; Rs. 500) being value of investment in 10 equity shares of Rs. 50 each in the Pallonji Mansion Co-operative Housing Society Limited.  
2. Amount in italics pertain to previous year ended March 31, 2017.

Note 12

Intangible Assets - Other than internally generated

| Particulars                         | Gross Block                                |                   |           | Amortisation                            |                                 |           | Net Block<br>As at March 31,<br>2018 |
|-------------------------------------|--|-------------------|-----------|---|---------------------------------|-----------|--------------------------------------|
|                                     | Opening balance<br>as at April 01,<br>2017 | Additions         | Deletions | Closing balance as<br>at March 31, 2018 | Amortisation<br>during the year | Deletions |                                      |
| Goodwill on business<br>acquisition | 1253,68.87                                 | -                 | -         | 1253,68.87                              | -                               | -         | 1253,68.87                           |
| Computer Software                   | -  | 1253,68.87        | -         | 1253,68.87                              | -                               | -         | 1253,68.87                           |
|                                     | 1,98.25                                    | 5,97.40           | -         | 7,95.65                                 | 2,36.06                         | -         | 5,18.10                              |
|                                     | 1,98.25                                    | -                 | -         | 1,98.25                                 | 41.48                           | -         | 1,56.77                              |
| <b>Total</b>                        | <b>1255,67.12</b>                          | <b>5,97.40</b>    | <b>-</b>  | <b>1261,64.52</b>                       | <b>2,36.06</b>                  | <b>-</b>  | <b>1258,86.97</b>                    |
| <b>As of March 31, 2017</b>         | <b>1,98.25</b>                             | <b>1253,68.87</b> | <b>-</b>  | <b>1255,67.12</b>                       | <b>41.48</b>                    | <b>-</b>  | <b>1255,25.64</b>                    |

1. Amount in italics pertain to previous year ended March 31, 2017.

2. Total depreciation and amortisation (note 11 and note 12) for the period is Rs. 12,54.78 Lakhs; for the period ended March 31, 2017 was Rs. 2,43.74 Lakhs.

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

(Rs. in lakhs)

| Face Value per unit (in Rs) | Description  | Quantity (in nos.) as at March 31, 2018 | Cost as at March 31, 2018 | Quantity (in nos.) as at March 31, 2017 | Cost as at March 31, 2017 |
|-----------------------------|--|---|---------------------------|---|---------------------------|
|                             | <b>(1) Other Investments (at Cost)</b>   |   |                           |   |                           |
|                             | <b>(A) Investment in Equity Instruments</b>  |   |                           |   |                           |
|                             | <b>(a) Fully Paid Equity shares (quoted)</b>   |   |                           |   |                           |
|                             | Others (Refer note 1)  |   |                           |   |                           |
| 10                          | Tata Steel Limited   | 570,188                                 | 20,62.60                  | 491,542                                 | 16,61.53                  |
| 10                          | Tata Steel Limited (face value of Rs. 2.5 per share)   | 39,323                                  | 60.56                     | -                                       | -                         |
| 10                          | Tata Chemicals Limited   | 10,060                                  | 24.12                     | 10,060                                  | 24.12                     |
| 1                           | Tata Power Limited   | 9,120                                   | 1.59                      | 9,120                                   | 1.59                      |
| 2                           | ICICI Bank Limited   | -                                       | -                         | 157,300                                 | 1,65.17                   |
| 10                          | NTPC Limited   | 130,000                                 | 2,51.18                   | 195,752                                 | 3,78.22                   |
| 1                           | NMDC Limited   | 20,000                                  | 51.29                     | 258,369                                 | 6,62.56                   |
| 10                          | Coal India Limited   | 11,904                                  | 38.19                     | 91,904                                  | 2,94.87                   |
| 10                          | Automobile Corporation of Goa Limited  | 48,315                                  | 1,40.81                   | 48,315                                  | 1,40.81                   |
| 5                           | Oil and Natural Gas Corporation Limited  | -                                       | -                         | 21,875                                  | 42.00                     |
| 1                           | Colgate-Palmolive (India) Limited  | -                                       | -                         | 9,880                                   | 88.90                     |
| 2                           | HDFC Bank Limited  | -                                       | -                         | 4,000                                   | 42.38                     |
| 1                           | State Bank of India  | -                                       | -                         | 26,280                                  | 65.20                     |
| 1                           | Aurobindo Pharma Limited   | -                                       | -                         | 18,930                                  | 144.54                    |
|                             | <b>Sub Total (a)</b>   |   | <b>26,30.34</b>           |   | <b>37,11.90</b>           |
|                             | <b>(b) Fully paid equity shares (unquoted)</b>   |   |                           |   |                           |
|                             | Fellow subsidiaries  |   |                           |   |                           |
| 10                          | Tata Technologies Limited  | 811,992                                 | 19,12.97                  | 811,992                                 | 19,12.97                  |
| 10                          | Taj Air Limited  | 4,200,000                               | 4.20.00                   | 4,200,000                               | 4.20.00                   |
| 1,000                       | Tata International Limited   | 19,350                                  | 15,55.60                  | 19,350                                  | 15,55.60                  |
| 100                         | Tata Industries Limited  | 993,753                                 | 20,50.00                  | 993,753                                 | 20,50.00                  |
| 10                          | Tata Hitachi Construction Machinery Company Private Limited<br>(35,714 equity shares received on conversion of 100,000 nos. of 9% Optionally Convertible Preference Shares during the year ended March 31, 2017) | 285,714                                 | 1,70.00                   | 285,714                                 | 1,70.00                   |
|                             | <b>Sub Total (b)</b>   |   | <b>61,08.57</b>           |   | <b>61,08.57</b>           |
|                             | <b>Total (A)</b>   |   | <b>87,38.91</b>           |   | <b>98,20.47</b>           |
|                             | <b>(B) Investment in Preference shares</b>   |   |                           |   |                           |
|                             | <b>Fully Paid Non - Cumulative Redeemable Preference shares (unquoted)</b>   |   |                           |   |                           |
| 100                         | Others<br>6% Tata Precision Industries (India) Limited   | 40,000                                  | 40.00                     | 40,000                                  | 40.00                     |
| 100                         | <b>Fully Paid Cumulative Redeemable Preference shares (unquoted)</b><br>Others<br>8.50% Tata Precision Industries (India) Limited  | 150,000                                 | 1,50.00                   | 150,000                                 | 1,50.00                   |
| 1,000                       | <b>Fully Paid Cumulative Redeemable Non Participating Preference shares (unquoted)</b><br>Others<br>12.50% Tata Capital Limited  | 6,665                                   | 99.98                     | 6,665                                   | 99.98                     |
|                             | <b>Total (B)</b>   |   | <b>2,89.98</b>            |   | <b>2,89.98</b>            |



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

(Rs. in lakhs)

| Face Value per unit (in Rs) | Description  | Quantity (in nos.) as at March 31, 2018 | Cost as at March 31, 2018 | Quantity (in nos.) as at March 31, 2017 | Cost as at March 31, 2017 |
|-----------------------------|--|---|---------------------------|---|---------------------------|
|                             | (C) Investment in trust securities (Partly paid)   |   |                           |   |                           |
|                             | Others   |   |                           |   |                           |
| 10                          | SBI Macquarie Infrastructure Trust<br>(Partly paid upto Rs 8.32 (at March 31, 2017: Rs 8.39 per unit)<br>(Refer Note 31(ii) (iii)) | 15,000,000                              | 12,48.11                  | 15,000,000                              | 12,58.37                  |
|                             | <b>Total (C)</b>   |   | <b>12,48.11</b>           |   | <b>12,58.37</b>           |
|                             | (D) Investments in Debentures and Bonds  |   |                           |   |                           |
|                             | Fully Paid Secured, Non - Cumulative, Non - Convertible, Redeemable Debentures   |   |                           |   |                           |
| 12.50                       | 8.49% NTPC Limited (issued as bonus)   | 275,752                                 | -                         | 275,752                                 | -                         |
|                             | Fully Paid Secured Redeemable Non - Convertible Debentures (unquoted)  |   |                           |   |                           |
| 100                         | Others   |   |                           |   |                           |
|                             | 10% Tata Precision Industries (India) Limited  | 350,000                                 | 3,50.00                   | 350,000                                 | 3,50.00                   |
|                             | <b>Total (D)</b>   |   | <b>3,50.00</b>            |   | <b>3,50.00</b>            |
|                             | Investment in Senior Pass Through Certificates (unquoted) (E)  |   |                           |   |                           |
|                             |  |   | 32,76.42                  | -                                       | 23,34.13                  |
|                             | <b>Total (2) = (A+B+C+D)+(E)</b>   |   | <b>139,03.41</b>          |   | <b>140,52.95</b>          |
|                             | (2) Less : Provision for diminution in value of non-current investments  |   | 4,78.50                   |   | 7,92.04                   |
|                             | <b>Total (1-2)</b>   |   | <b>134,24.91</b>          |   | <b>132,60.91</b>          |

(Rs. in lakhs)

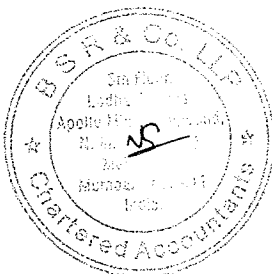
| Descriptions                        | As at March 31, 2018 | As at March 31, 2017 |
|-------------------------------------|----------------------|----------------------|
| Book Value of Quoted Investments    | 25,71.84             | 33,39.85             |
| Market Value of Quoted Investments  | 42,03.10             | 45,18.65             |
| Book Value of Un-Quoted Investments | 108,53.07            | 99,21.05             |

Note 1 The Investment Committee of the Board at its meeting held on November 15, 2016 has approved to dispose these investment in near future and has also recommended the selling price-range for each security.

Note 14 Current investments

(Rs. in lakhs)

| Face Value per unit | Description  | Quantity (in nos.) as at March 31, 2018 | Cost as at March 31, 2018 | Quantity (in nos.) as at March 31, 2017 | Cost as at March 31, 2017 |
|---------------------|--|---|---------------------------|---|---------------------------|
|                     | Investments in mutual funds - Unquoted<br>(At cost or net realizable value whichever is lower) |   |                           |   |                           |
| 100                 | ICICI Prudential Money Market Fund-Growth  | -                                       | -                         | 1,059,865                               | 23,45.62                  |
| 1000                | Tata Money Market Fund Regular Plan - Growth   | -                                       | -                         | 59,820                                  | 15,00.00                  |
| 1000                | Kotak Floater Short Term Regular Plan - Growth   | -                                       | -                         | 180,519                                 | 47,40.00                  |
| 100                 | Birla Sun life Floating Rate Fund Short Term Regular Plan - Growth                             | -                                       | -                         | 473,368                                 | 10,05.05                  |
|                     | Senior Pass Through Certificates (Unquoted)  |   |                           |   |                           |
|                     |  |   | 39,54.94                  |   | 29,68.49                  |
|                     | <b>Total</b>   |   | <b>39,54.94</b>           |   | <b>125,59.16</b>          |



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)  
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Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 15  
Tax Expense

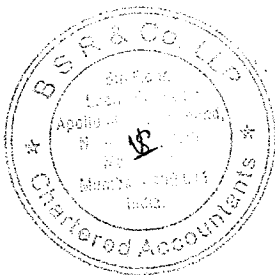
| Particulars                                 | (Rs. in Lakhs)                    |                                   |
|---|-----------------------------------|-----------------------------------|
|   | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Current tax                                 | -                                 | -                                 |
| MAT credit                                  | (19,15.12)                        | -                                 |
| Tax impact of items routed through reserves | 93,59.73                          | -                                 |
| Deferred tax                                | (44,49.36)                        | 12,53.56                          |
| <b>Net tax expense</b>                      | <b>29,95.25</b>                   | <b>12,53.56</b>                   |

Note "15B"  
Deferred Tax Assets (net)

Major components of deferred tax arising on account of timing differences (Rs. in Lakhs)

| Particulars  | As at April 01, 2017 | Charge / (Credit) for the year | As at March 31, 2018 |
|--|----------------------|--------------------------------|----------------------|
| <b>Assets</b>  |                      |                                |                      |
| Provision for doubtful finance receivables, assigned/secured receivables, expected | -                    | (137,10.06)                    | 137,10.06            |
| Retirement benefits/expenses allowable on payment basis                            | -                    | (3,68.04)                      | 3,68.04              |
| Disallowances u/s 43B of the Income Tax Act.                                       | -                    | (39,13.72)                     | 39,13.72             |
|  | -                    | (179,91.82)                    | 179,91.82            |
| <b>Liabilities</b>   |                      |                                |                      |
| DSA/Dealer Commission claimed on incurrence basis                                  | -                    | 26,76.00                       | (26,76.00)           |
| Depreciation   | -                    | 108,66.46                      | (108,66.46)          |
|  | -                    | 135,42.46                      | (135,42.46)          |
| <b>Net deferred tax assets</b>   | -                    | (44,49.36)                     | 44,49.36             |
| previous year  | -                    | -                              | -                    |

Deferred tax arising out of unabsorbed depreciation and business loss of Rs 127,73.29 Lakhs has not been recognised



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)  
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Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 16

Finance Receivables

(Rs. in Lakhs)

| Particulars                                 | As at March 31, 2018 | As at March 31, 2017 |
|---|----------------------|----------------------|
| <b>A) Finance Receivables - Non-Current</b> |                      |                      |
| <b>Vehicle Loans (#)</b>                    |                      |                      |
| - To Other than Related Parties             |                      |                      |
| -Secured, considered good                   | 13464,59.72          | 9607,75.79           |
| -Considered doubtful* (refer note 7)        | 61,96.07             | 163,80.71            |
|   | <b>13526,55.79</b>   | <b>9771,36.50</b>    |
| <b>Total</b>                                | <b>13526,55.79</b>   | <b>9771,36.50</b>    |
| <b>B) Finance Receivables - Current</b>     |                      |                      |
| <b>Vehicle Loans (#)</b>                    |                      |                      |
| - To Other than Related Parties             |                      |                      |
| -Secured, considered good                   | 7438,77.15           | 6563,68.13           |
| -Considered Doubtful* (refer note 7)        | 249,13.08            | 311,97.57            |
|   | <b>7687,90.23</b>    | <b>6875,65.70</b>    |
| <b>Total</b>                                | <b>7687,90.23</b>    | <b>6875,65.70</b>    |

\*Represents amount equivalent to provision as per the Company's accounting policy on non-performing assets

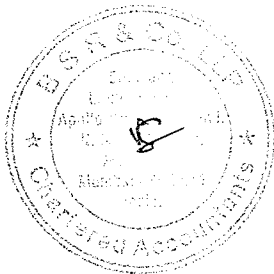
# Vehicle loans are secured against hypothecation of the underlying vehicle.

Note 17

Long-term loans and advances

(Rs. in Lakhs)

| Particulars   | As at March 31, 2018 | As at March 31, 2017 |
|---|----------------------|----------------------|
| <b>Unsecured, considered good</b>   |                      |                      |
| Capital advances  | 6,16.84              | 1,19.30              |
| Security deposits (Due from related party Rs 13,24 Lakhs: March 31, 2017 Rs. 13,24 lakhs) | 10,56.75             | 8,90.62              |
| Other loans and advances  |                      |                      |
| - Loans to employees  | 0.41                 | 0.42                 |
| - Advance payment of income tax (net of provision)  | 77,44.35             | 6,64.19              |
| - Taxes paid under protest  | 3,96.73              | 3,71.71              |
| <b>Total</b>  | <b>98,15.08</b>      | <b>20,46.24</b>      |



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)  
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Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 18  
Other Assets

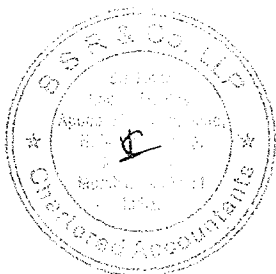
(Rs. in lakhs)

| Particulars   | As at March 31,<br>2018 | As at March 31,<br>2017 |
|---|-------------------------|-------------------------|
| <b>A) Other Non-Current Assets</b>  |                         |                         |
| <b>Unsecured, considered good</b>   |                         |                         |
| Margin Money/ Cash collateral with banks (Note 21)  | 104,06.46               | 73,45.40                |
| Interest only strip   | 20,63.73                | 15,73.15                |
| Interest accrued but not due  | 2,59.31                 | 2,37.47                 |
| Prepaid expenses  | 29,01.28                | 2,38.94                 |
| <b>Total</b>  | <b>156,30.78</b>        | <b>93,94.96</b>         |
| <b>B) Other Current Assets</b>  |                         |                         |
| Interest only strip   | 52,68.36                | 41,96.10                |
| Interest accrued but not due (Due from related party Rs 17.21 Lakhs: March 31, 2017 Rs Nil) | 2,10.13                 | 2,00.09                 |
| Prepaid expenses  | 14,26.96                | 48.35                   |
| Stamp papers  | 4,32.49                 | 2,46.00                 |
| Receivables in respect of sale/redemption of investments                                    | -                       | 1,36.20                 |
| <b>Total</b>  | <b>73,37.94</b>         | <b>48,26.74</b>         |

Note 19  
Short-term loans and advances

(Rs. in lakhs)

| Particulars   | As at March 31,<br>2018 | As at March 31,<br>2017 |
|---|-------------------------|-------------------------|
| <b>Unsecured, considered good unless otherwise stated</b> |                         |                         |
| <b>Security Deposits</b>                                  |                         |                         |
| -Considered good  | 29.47                   | 1,97.63                 |
| -Doubtful   | 92.34                   | 36.62                   |
|   | <b>1,21.81</b>          | <b>2,34.25</b>          |
| Less: Provision for doubtful security deposits            | 92.34                   | 36.62                   |
|   | <b>29.47</b>            | <b>1,97.63</b>          |
| Loans/advances to employees                               | 67.76                   | 63.21                   |
| <b>Other advances</b>                                     |                         |                         |
| -To related parties                                       | -                       | 7,07.25                 |
| - To others - Considered good                             | 23,56.61                | 66,27.51                |
| - Doubtful  | 24,09.22                | 7,99.70                 |
| Less: Provision for doubtful advances                     | 24,09.22                | 7,99.70                 |
|   | <b>23,56.61</b>         | <b>73,34.76</b>         |
| <b>Total</b>  | <b>24,53.84</b>         | <b>75,95.60</b>         |



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)  
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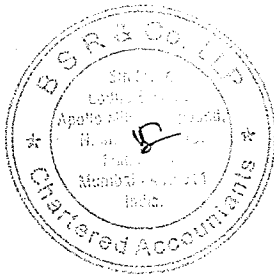
Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 20  
Trade Receivables

| Particulars   | (Rs. in Lakhs)          |                         |
|---|-------------------------|-------------------------|
|   | As at March 31,<br>2018 | As at March 31,<br>2017 |
| Receivables on account of service charges, incentives and others (Unsecured, considered good) |                         |                         |
| From Related Parties  |                         |                         |
| Due for less than 6 months  | 15,03.52                | 7,09.57                 |
| From others (due for less than 6 months)  | 8,62.98                 | 3,10.31                 |
| <b>Total</b>  | <b>23,66.50</b>         | <b>10,19.88</b>         |

Note 21  
Cash and cash equivalents

| Particulars  | (Rs. in Lakhs)          |                         |
|--|-------------------------|-------------------------|
|  | As at March 31,<br>2018 | As at March 31,<br>2017 |
| <b>Cash and cash equivalents</b>   |                         |                         |
| Cash on hand   | 23,34.47                | 27,97.78                |
| Cheques/drafts on hand   | 19,90.38                | 26,50.66                |
| Balances with banks - Current accounts   | 145,81.73               | 60,47.46                |
| Deposits with banks  | -                       | 100,49.60               |
| <b>Total - Cash and cash equivalents (A)</b>   | <b>189,06.58</b>        | <b>215,45.50</b>        |
| <b>Other Bank Balances</b>   |                         |                         |
| -Margin money/ Cash collateral with banks  | 145,77.61               | 73,45.40                |
| -Deposits with banks   | 500,00.00               | 500,00.00               |
| <b>Total - Other Bank Balances (B)</b>   | <b>645,77.61</b>        | <b>573,45.40</b>        |
| Less: Margin money/ Cash collateral with banks having residual maturity of more than 12 months (Note 18) (C) | 104,06.46               | 73,45.40                |
| <b>Total (A+B-C)</b>   | <b>730,77.73</b>        | <b>715,45.50</b>        |



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)  
(CIN - U45200MH1989PLC050444)

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

Note 22

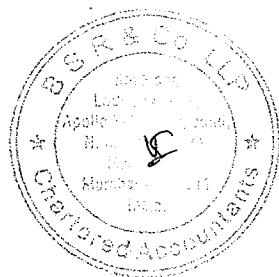
Revenue from operations

| Particulars  | (Rs. in Lakhs)                          |   |
|--|---|---|
|  | For the year<br>ended<br>March 31, 2018 | For the year<br>ended<br>March 31, 2017 |
| Interest Income:   |   |   |
| -Interest Income from finance receivables                  | 2104,35.83                              | 337,17.26                               |
|  | <b>2104,35.83</b>                       | <b>33,717.26</b>                        |
| Net Income on assignment/securitised receivables           | 37,89.53                                | 9,47.30                                 |
| Loan Processing fees and other charges                     | 68,51.58                                | 9,13.14                                 |
| Interest income on pass through certificate investments    | 3,20.27                                 | 69.26                                   |
| Interest income on margin money/cash collateral with banks | 5,40.97                                 | 86.18                                   |
| Service charges  | 4,09.81                                 | 86.54                                   |
| Support services income                                    | 86,10.02                                | 11,59.01                                |
| Others   | 12,90.15                                | 6,19.45                                 |
|  | <b>218,12.33</b>                        | <b>38,80.88</b>                         |
| <b>Total</b>   | <b>2322,48.16</b>                       | <b>375,98.14</b>                        |

Note 23

Other Income

| Particulars  | (Rs. in Lakhs)                          |   |
|--|---|---|
|  | For the year<br>ended<br>March 31, 2018 | For the year<br>ended<br>March 31, 2017 |
| Interest income:   |   |   |
| - on long term investments   | 40.57                                   | 35.00                                   |
| - on inter corporate deposits  | -                                       | 23.01                                   |
| - on bank deposits   | 34,19.38                                | 6,18.72                                 |
| Net gain on sale of current investments  | 8,05.37                                 | 5,81.16                                 |
| Gain on sale / redemption of long term investments   | 90.68                                   | 15,84.95                                |
| Recovery of bank charges (net of bank charges incurred and taxes thereon of Rs.10,00.58 lakhs for the year ended March 31, 2018; PY- Rs 1,53.88 lakhs) | 9,47.75                                 | 1,65.61                                 |
| Profit on sale of assets (net)   | -                                       | 0.16                                    |
| Balances written back  | 6,87.26                                 | 21.12                                   |
| Dividend income  | 4,05.80                                 | 4,85.48                                 |
| Miscellaneous receipts   | 7,01.48                                 | 1,06.27                                 |
| <b>Total</b>   | <b>70,98.29</b>                         | <b>36,21.48</b>                         |



TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)  
(CIN - U45200MH1989PLC050444)

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

Note 24

Employee benefits expenses

(Rs. in Lakhs)

| Particulars                             | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Salaries and Bonus                      | 217,81.65                            | 33,98.85                             |
| Contributions to employee benefit funds | 7,83.02                              | 1,26.79                              |
| Staff welfare expenses                  | 20,54.24                             | 3,48.38                              |
| <b>Total</b>                            | <b>246,18.91</b>                     | <b>38,74.02</b>                      |

Note 25

Finance costs

(Rs. in Lakhs)

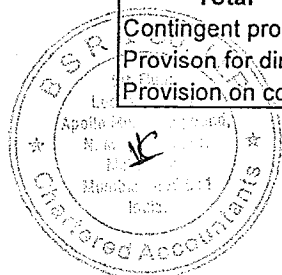
| Particulars                              | For the year<br>ended<br>March 31, 2018 | For the year<br>ended<br>March 31, 2017 |
|--|---|---|
| Interest expense                         | 765,90.09                               | 137,75.46                               |
| Discounting charges on commercial papers | 304,91.79                               | 37,37.35                                |
| Other borrowing costs                    | 2,36.91                                 | 37.60                                   |
| <b>Total</b>                             | <b>1073,18.79</b>                       | <b>17,560.41</b>                        |

Note 26

Other expenses

(Rs. in Lakhs)

| Particulars   | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Electricity   | 7,99.53                              | 98.59                                |
| Rent (net of recoveries)  | 24,75.37                             | 4,48.86                              |
| Repairs and maintenance   | 3,69.09                              | 1,20.34                              |
| Insurance   | 90.84                                | 15.24                                |
| Rates and taxes   | 71.67                                | 24.04                                |
| Incentive/commission  | 80,26.60                             | 19,41.24                             |
| Information technology/consultancy expense  | 62,71.77                             | 13,23.46                             |
| Service providers fees  | 87,37.51                             | 23,73.37                             |
| Payment to Auditors (Note (i))  | 1,10.64                              | 7.99                                 |
| <b>Provisions and Write Offs:</b>   |                                      |                                      |
| -Provision for doubtful loans and advances (others)   | 12,37.76                             | 11.89                                |
| -Provision for doubtful Finance Receivables   | (164,49.13)                          | (73,00.74)                           |
| Less: Delinquency support   | (4,60.74)                            | (2,48.30)                            |
| -Finance receivables written off (net of recoveries of Rs.144,97.22 lakhs for the year ended March 31, 2018; previous year - Rs 46,41.58 lakhs) | 467,72.94                            | 121,95.84                            |
| Less: Delinquency support   | (32,50.54)                           | 57.84                                |
| <b>Total</b>  | <b>278,50.29</b>                     | <b>47,16.53</b>                      |
| Contingent provisions on standard assets  | 20,45.00                             | 2,58.80                              |
| Provison for diminution in the value of investment  | (3,13.54)                            | 2,92.04                              |
| Provision on consumer disputes  | (18.98)                              | 6.94                                 |



**TATA MOTORS FINANCE LIMITED (formerly known as SHEBA PROPERTIES LIMITED)**  
**(CIN - U45200MH1989PLC050444)**

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

(Rs. in Lakhs)

| Particulars                               | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Loss on sale of assets                    | 1,30.70                              | -                                    |
| Support services charges                  | 34.94                                | 27.87                                |
| Corporate social responsibility expense # | 1,89.21                              | 4.60                                 |
| Other expenses                            | 135,29.95                            | 22,47.03                             |
| <b>Total</b>                              | <b>704,00.59</b>                     | <b>13,906.94</b>                     |

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

(i). Auditors' remuneration (excluding taxes):

(Rs. in Lakhs)

| Particulars                             | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| As Auditors - Statutory audit (Note)    | 89.74                                | 7.24                                 |
| Tax audit (Note)                        | 0.75                                 | 0.75                                 |
| For other Services                      | 12.00                                | -                                    |
| Reimbursement of out of pocket expenses | 8.15                                 | -                                    |
| <b>Total</b>                            | <b>110.64</b>                        | <b>7.99</b>                          |

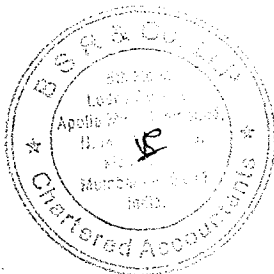
Note: The above includes fee towards audit of first quarter and Tax Audit for the year ended March 31, 2017 paid to erstwhile auditors

Note 27

Expenditure in foreign currency (on accrual basis)

(Rs. in Lakhs)

| Particulars  | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|--------------|--------------------------------------|--------------------------------------|
| Travelling   | 2,00.59                              | 20.68                                |
| <b>Total</b> | <b>2,00.59</b>                       | <b>20.68</b>                         |



## 28. 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.

| Particulars                                       | Rs. in lakhs, except per share data |                              |
|---|-------------------------------------|------------------------------|
|   | Year ended<br>March 31, 2018        | Year ended<br>March 31, 2017 |
| <b>Basic</b>                                      |                                     |                              |
| Weighted average no. of equity shares outstanding | 501,71,549                          | 76,36,266                    |
| Net profit attributable to equity share holders   | 290,57.07                           | 21,70.31                     |
| Basic earnings per share (Rs.)                    | 57.92                               | 28.42                        |
| <b>Diluted</b>                                    |                                     |                              |
| Weighted average no. of equity shares outstanding | 579,69,960                          | 76,36,266                    |
| Net profit  | 327,58.14                           | 21,70.31                     |
| Diluted earnings per share (Rs.)                  | 56.51                               | 28.42                        |
| Face value per share (Rs.)                        | 100                                 | 100                          |

For the year ended 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.

## 29. Segment

The Company 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. Operating lease

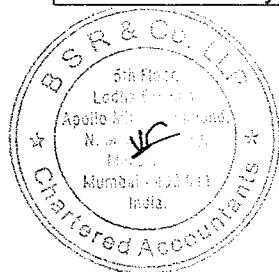
### a. Assets taken on lease

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. 24,75.37 lakhs (March 31, 2017: Rs. 4,26.63 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            |                         |
|---|-------------------------|-------------------------|
|   | As at March<br>31, 2018 | As at March<br>31, 2017 |
| Not later than one year                           | 3,51.82                 | -                       |
| later than one year and not later than five years | 11,92.89                | -                       |
| More than five years                              | -                       | -                       |



| Particulars  | As at March<br>31, 2018 | As at March<br>31, 2017 |
|--------------|-------------------------|-------------------------|
| <b>Total</b> | <b>15,44.71</b>         | <b>-</b>                |

### 31. Contingent liabilities and commitments

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

| Particulars  | Rs. in lakhs         |                      |
|--|----------------------|----------------------|
|  | At March<br>31, 2018 | At March<br>31, 2017 |
| 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 consumer disputes                                  | 4,55.77              | 7,13.61              |
| In respect of bonus under Payment of Bonus (Amendment) Act, 2015 | 26.15                | 26.15                |
| <b>Total</b>   | <b>66,01.25</b>      | <b>13,84.82</b>      |

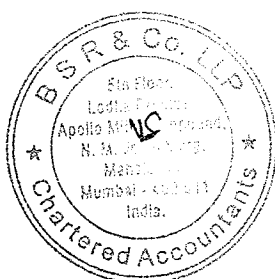
#### a) Other money for which the Company is contingently liable:

| Particulars   | Rs. in lakhs         |                      |
|---|----------------------|----------------------|
|   | At March<br>31, 2018 | At March<br>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 registrations                                       | 10.40                | -                    |
| In respect of guarantees given by banks for Income tax matters  | 93.00                | -                    |

#### b. Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 2,94.67 (at March 31, 2017: Rs. 2,53.84 lakhs).
- Loan commitment towards vehicle financing Rs. 2,67.43 lakhs (at March 31, 2017: Rs. 63.09 lakhs).
- Commitment for investment Rs. 2,27.59 lakhs (at March 31, 2017: Rs. 63.17 lakhs).

The Company's pending litigations comprise of claims against the Company primarily by the customers and 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



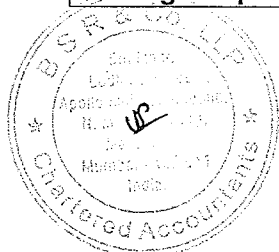
the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

### 32. Employee benefits

#### 1. Defined benefits plans

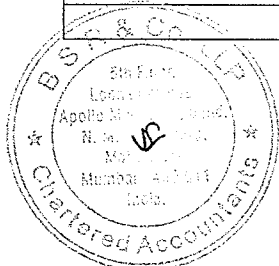
Rs. in lakhs

| Particulars   | Gratuity         | Compensated absence |
|---|------------------|---------------------|
| <b>Components of expense recognised in the statement of profit and loss</b>                                     |                  |                     |
| Current service cost  | 5,59.76          | 1,32.76             |
|   | 96.12            | 23.46               |
| Interest cost   | 2,94.79          | 60.63               |
|   | 48.36            | 10.88               |
| Expected return on plan assets  | (3,14.93)        | -                   |
|   | (50.55)          | -                   |
| Actuarial losses/(gains)  | (6,67.11)        | (40.86)             |
|   | (1,00.05)        | (29.91)             |
| <b>Total expense recognised in the statement of profit and loss</b>   | <b>(1,27.49)</b> | <b>1,52.53</b>      |
|   | <b>(6.12)</b>    | <b>4.43</b>         |
| <b>Actual benefit payments and contribution</b>   |                  |                     |
| Actual benefit payments   | (1,62.93)        | (1,72.45)           |
|   | (1,35.94)        | (7.96)              |
| Actual contributions  | -                | -                   |
|   | (3,66.80)        | -                   |
| <b>Net asset/(liability) recognised in the balance sheet at respective year ends and experience adjustments</b> |                  |                     |
| <b>Present value of defined benefit obligation</b>  |                  |                     |
| March 31, 2018  | (36,92.41)       | (8,22.86)           |
| March 31, 2017  | (40,11.97)       | (8,94.57)           |
| <b>Fair value of plan assets</b>  |                  |                     |
| March 31, 2018  | 38,26.02         | -                   |
| March 31, 2017  | 40,18.09         | -                   |
| <b>Net asset/(liability) recognised in balance sheet</b>  |                  |                     |
| March 31, 2018  | 1,33.61          | (8,22.86)           |
| March 31, 2017  | 6.12             | (8,94.71)           |
| <b>Experience adjustments arising on</b>  |                  |                     |
| <b>a. Plan liabilities [gain/(loss)]</b>  |                  |                     |
| March 31, 2018  | 7,04.65          | (77.70)             |
| March 31, 2017  | 39.51            | 3.15                |
| <b>b. Plan assets [gain/(loss)]</b>   |                  |                     |
| March 31, 2018  | (37.54)          | -                   |
| March 31, 2017  | 60.54            | -                   |
| <b>Change in present value of defined benefit obligation (DBO)</b>  |                  |                     |



TATA MOTORS FINANCE LIMITED (formerly known as Sheba Properties Limited)  
(CIN – U45200MH1989PLC050444)  
Explanatory notes forming part of the financial statements for the year ended March 31, 2018

| Particulars  | Gratuity  | Compensated absence |
|--|-----------|---------------------|
| Present value at the beginning of the year                                   | 40,11.97  | 8,94.57             |
|  | -         | -                   |
| Addition on business acquisition   | 40,42.94  | 8,98.10             |
| Current service cost   | 5,59.76   | 1,32.76             |
|  | 96.12     | 23.46               |
| Interest cost  | 2,94.79   | 60.63               |
|  | 48.36     | 10.88               |
| Acquisitions Cost/(Credit)   | (3,06.53) | (51.79)             |
|  | -         | -                   |
| Actuarial (gains)/ losses  | (7,04.65) | (40.86)             |
|  | (39.51)   | (29.91)             |
| Benefits paid  | (1,62.93) | (1,72.45)           |
|  | (1,35.94) | (7.96)              |
| Present value at the end of the year   | 36,92.41  | 8,22.86             |
|  | 40,11.97  | 8,94.57             |
| <b>Change in fair value of plan assets for the year ended March 31, 2018</b> |           |                     |
| Plan assets at beginning of the year   | 40,18.09  | N.A.                |
|  | -         |                     |
| Transfer under the scheme of arrangement                                     | -         |                     |
|  | 36,76.14  |                     |
| Expected return on plan assets   | 3,14.93   |                     |
|  | 50.55     |                     |
| Actual Company contributions   | -         |                     |
|  | 3,66.80   |                     |
| Acquisition Adjustments  | (3,06.53) |                     |
|  | -         |                     |
| Actuarial gains/(loss)   | (37.54)   |                     |
|  | 60.54     |                     |
| Benefits paid  | (1,62.93) |                     |
|  | (1,35.94) |                     |
| Plan assets at the end of the year   | 38,26.02  |                     |
|  | 40,18.09  |                     |
| <b>Actuarial assumptions</b>   |           |                     |
| Discount rate  | 7.70%     | 7.70%               |
|  | 7.50%     | 7.50%               |
| Expected rate of return on plan assets                                       | 8.00%     | -                   |
|  | 8.00%     | -                   |
| Salary escalation  | 8.50%     | 8.50%               |
|  | 9.00%     | 9.00%               |
| Indian Assured Lives Mortality (2006-08) (modified) ultimate                 |           |                     |



| Particulars   | Gratuity    | Compensated absence |
|---|-------------|---------------------|
| <b>The major categories of plan assets as percentage of total plan assets</b> |             |                     |
| Government bonds  | 48.88%      | N.A.                |
|   | 38.80%      |                     |
| Infrastructure bonds  | 17.93%      |                     |
|   | 24.30%      |                     |
| Corporate bonds   | 30.26%      |                     |
|   | 29.07%      |                     |
| Others  | 2.93%       |                     |
|   | 7.83%       |                     |
| <b>Net assets/(liabilities) – current and non-current</b>                     |             |                     |
| Current   | 1,33.61     | (88.95)             |
|   | -           | (47.77)             |
| Non-current   | -           | (7,33.91)           |
|   | 6.12        | (8,46.80)           |
| <b>Total</b>  | <b>6.12</b> | <b>(8,22.86)</b>    |

#### 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 does not expect any contribution 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. 9,16.63 lakhs for the year ended March 31, 2018 (March 31, 2017: Rs. 1,26.79 lakhs) has been recognised in the statement of profit and loss.

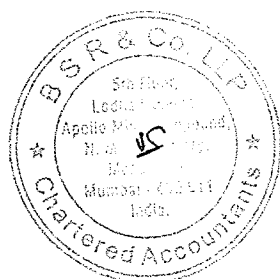
#### 33. Related party transactions

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. Ultimate Holding Company

Tata Motors Limited



**b. Holding Company**

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

**c. Fellow subsidiaries and associates of ultimate holding company (with whom there were transactions during the year)**

Tata Motors Finance Solutions Limited (Formerly known as Rajasthan Leasing Private Limited)  
Concorde Motors (India) Limited  
Tata Technologies Limited  
Tata Precision Industries (India) Limited  
Automobile Corporation of Goa Limited  
TML Distribution Company Limited

**d. Key Managerial person**

Chief Executive officer - Mr. Samrat Gupta

**2. Transactions and balances**

**a. Ultimate Holding company - Tata Motors Limited**

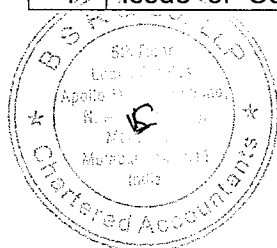
Rs. in lakhs

| Sr. No. | Particulars                            | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---------|--|---------------------------|---------------------------|
| 1       | Incentive received                     | 127,46.31                 | 3,91.20                   |
| 2       | Service charges – income               | 3,75.91                   | 75.54                     |
| 3       | Purchase of fixed assets               | 3,72.78                   | -                         |
| 4       | Common cost reimbursement              | 1,01.69                   | 19.60                     |
| 5       | Lease charges received                 | 67.99                     | -                         |
| 6       | Delinquency support – reversal         | 57.64                     | 46.03                     |
| 7       | Information technology service charges | 50.60                     | -                         |
| 8       | Rent – expenditure                     | 31.32                     | 5.08                      |
| 9       | Rent – income                          | 6.33                      | 9.38                      |
| 10      | Cross charges                          | 2.35                      | -                         |

Net receivable from Tata Motors Limited at March 31, 2018 was Rs. 12,87.74 Lakhs (March 31, 2017: Rs. 4,76.51 Lakhs).

**b. Holding company- TMF Holdings Limited (formerly known as Tata Motors Finance Limited)**

| Sr. No. | Particulars   | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---------|---|---------------------------|---------------------------|
| 1       | Inter corporate deposits accepted                   | 525,00.00                 | -                         |
| 2       | Inter corporate deposits refunded                   | 475,00.00                 | -                         |
| 3       | Issue of equity shares (including share premium)    | 300,00.00                 | 2302,00.00                |
| 4       | Issue of Compulsorily Convertible Preference shares | 300,00.00                 | 450,00.00                 |



TATA MOTORS FINANCE LIMITED (formerly known as Sheba Properties Limited)  
(CIN – U45200MH1989PLC050444)

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

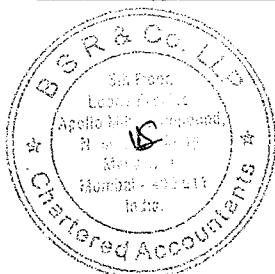
| Sr. No. | Particulars   | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---------|---|---------------------------|---------------------------|
|         | (including share premium)                                   |                           |                           |
| 5       | Issue of unsecured Tier-II debenture                        | 200,00.00                 | -                         |
| 6       | Advance given   | 5.00                      | -                         |
| 7       | Advance received back                                       | 5.00                      | -                         |
| 8       | Purchase of new vehicle finance business                    | -                         | 2752,00.00                |
| 11      | Dividend paid on equity shares                              | 51,57.10                  | 7,80.00                   |
| 12      | Dividend paid on compulsorily Convertible Preference Shares | 18,45.00                  | -                         |
| 13      | Rent – Expenses   | 8,43.35                   | -                         |
| 14      | Interest expense on inter corporate deposits                | 1,39.14                   | -                         |
| 15      | Common cost sharing   | 62.02                     | 11.10                     |
| 16      | Reimbursement of expenses received                          | 32.83                     | -                         |
| 17      | Interest expense on unsecured Tier-II debenture             | 19.73                     | -                         |

**Closing balances**

| Rs. in lakhs |   |                   |                   |
|--------------|---|-------------------|-------------------|
| Sr. No.      | Particulars                                   | At March 31, 2018 | At March 31, 2017 |
| 1            | TMF Holdings Limited- Net Receivable          | -                 | 3,19.05           |
| 2            | TMF Holdings Limited- Net Payable             | 50,30.40          | -                 |
| 3            | TMF Holdings Limited- Net Payable - Debenture | 200,00.00         | -                 |

**c. Fellow subsidiaries & associates of Ultimate Holding Company**

| Rs. in lakhs                                |  |                           |                           |
|---|--|---------------------------|---------------------------|
| Sr. No.                                     | Particulars  | Year ended March 31, 2018 | Year ended March 31, 2017 |
| <b>Tata Motors Finance Solution Limited</b> |  |                           |                           |
| 1   | ICDs repaid during the period                              | 1064,00.00                | 87,00.00                  |
| 2   | ICDs accepted during the period                            | 1064,00.00                | -                         |
| 3   | Assignment of receivable                                   | 557,17.21                 | -                         |
| 4   | Allotment of equity shares                                 | -                         | 105,00.00                 |
| 5   | Service providers' fees – Income                           | 23,99.22                  | 3,54.50                   |
| 6   | Interest paid on ICDs                                      | 4,14.02                   | 96.46                     |
| 7   | Dividend paid on equity shares                             | 1,85.48                   | -                         |
| 8   | Reimbursement of other expenses received                   | 72.61                     | 3.76                      |
| 9   | Reimbursement of refurbishment expenses                    | 4.09                      | 0.90                      |
| <b>Concorde Motors (India) Limited</b>      |  |                           |                           |
| 1   | Purchase of fixed assets                                   | 6,44.96                   | -                         |
| 2   | Inter-corporate deposits repaid                            | -                         | 4,00.00                   |
| 3   | Commission - expenditure (includes unamortised commission) | 3,74.82                   | 41.41                     |
| 4   | Lease charges received                                     | 61.08                     | -                         |
| 5   | Car maintenance charges                                    | 0.44                      | -                         |
| 6   | Interest Income on Inter Corporate Deposit given           | -                         | 23.01                     |



| <b>Tata Technologies Limited</b>                 |   |         |         |
|--|---|---------|---------|
| 1  | Information technology support service charges              | 3,79.32 | 1,39.08 |
| 2  | Dividend received   | 3,24.80 | 2,84.20 |
| 3  | Interest on long term debenture                             | 55.00   | 8.89    |
| <b>Tata Precision Industries (India) Limited</b> |   |         |         |
| 1  | Interest Income on investment in non-convertible Debentures | 35.00   | 35.00   |
| <b>Automobile Corporation of Goa Limited</b>     |   |         |         |
| 1  | Dividend Income received                                    | 8.46    | 2.42    |
| <b>TML Distribution Company Limited</b>          |   |         |         |
| 1  | Advance for purchase of Vehicles                            | 17.87   | -       |

#### Closing balances

| Sr. No. | Particulars  | Rs. in lakhs      |                   |
|---------|--|-------------------|-------------------|
|         |  | At March 31, 2018 | At March 31, 2017 |
| 1       | TATA Motors Finance Solutions Limited- net receivable                | -                 | 3,86.25           |
| 2       | TATA Motors Finance Solutions Limited- net payable                   | 61,87.22          | -                 |
| 3       | Concorde Motors (India) Limited – net payable                        | 1,55.07           | 11.33             |
| 4       | Tata Technologies Limited – net payable                              | 6,29.10           | 5,01.48           |
| 5       | Tata Precision Industries (India) Limited – net receivable           | 17.45             | -                 |
| 6       | Tata Precision Industries (India) Limited – Investment in Debentures | 3,50.00           | 3,50.00           |
| 7       | TML Distribution Company Limited- net receivable                     | -                 | -                 |

#### d. Key Managerial Personnel

Remuneration to Mr. Samrat Gupta for the year ended March 31, 2018 was Rs. 2,54.28 lakhs (March 31, 2017: Rs.NIL). Remuneration excludes provision for encashable leave and gratuity as separate actuarial valuation is not available.

#### 34. Scheme of Arrangement

Pursuant to the Scheme of arrangement (Scheme) between the Company and its holding company Tata Motors Finance Limited (TMFL, now known as TMF Holdings Limited) under section 391 to 394 of the Companies Act, 1956, the assets and liabilities pertaining to New Vehicle Finance business (NVF) of TMFL were transferred to and vested in the Company. 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 Company has acquired all the assets and liabilities of NVF as a going concern on slump sale basis. All assets and liabilities has been accounted for at their respective fair values determined by an independent valuer and difference between purchase price and value of net assets acquired has been attributed to Goodwill. Consequently, the results for the current financial year and Balance Sheet figures are not comparable with the previous financial year.



TATA MOTORS FINANCE LIMITED (formerly known as Sheba Properties Limited)  
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Explanatory notes forming part of the financial statements for the year ended March 31, 2018

The Cash consideration for the transfer was Rs. 2752,00.00 lakhs. The list of assets and liabilities acquired as on 31st January, 2017 is given below.

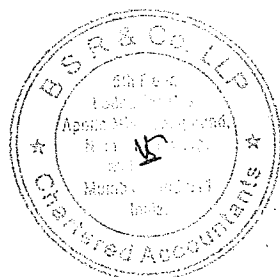
| Particulars   | Amount<br>(Rs. in lakhs) |
|---|--------------------------|
| <b>Assets</b>   |                          |
| Fixed assets  | 19,95.56                 |
| Intangible assets                                       | 1,98.25                  |
| Non-current investments                                 | 30,23.05                 |
| Non-current finance receivables                         | 9249,19.44               |
| Long-term loans and advances                            | 13,75.62                 |
| 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                           | 48,75.61                 |
| Other current assets                                    | 559,30.22                |
| <b>Total Assets</b>                                     | <b>17078,26.11</b>       |
| <b>Liabilities</b>                                      |                          |
| 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                 |
| <b>Total liabilities</b>                                | <b>15579,94.98</b>       |
| <b>Net assets (Total assets less total liabilities)</b> | <b>1498,31.13</b>        |
| Consideration paid                                      | 2752,00.00               |
| <b>Goodwill</b>   | <b>1253,68.87</b>        |

In addition to above, as part of the Scheme, the authorised share capital of the Tata Motors Finance Limited 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 the Company.

**35. 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**

The company was not having any cash balances on November 8, 2016 and had not transacted in SBNs during the period from November 8, 2016 to December 30, 2016. Hence, the required disclosure was not provided.

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



**36. Disclosure of loan and advances given to parent company, associates etc. as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

There were no loans and advances in the nature of loan given to parent company, associates etc. (as certified by management).

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

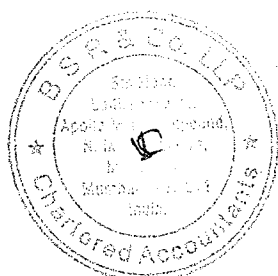
**37. Asset Liability Maturity Pattern of certain items of Assets and Liabilities as per Annexure 4 of the Non-Banking Financial Companies Corporate Governance (Reserve Bank) Direction 2015.**

Rs. in lakhs

| Particulars                        | Deposits<br>(note 1) | Advances<br>(note 2) | Investments | Borrowings<br>from<br>banks/financial<br>institutions | Market<br>borrowings<br>(note 3 and<br>4) |
|------------------------------------|----------------------|----------------------|-------------|---|---|
| Up to 30/31<br>days                | -                    | 1056,59.31           | 3,71.40     | 1116,78.57  | 780,66.60                                 |
|                                    | 100,35.00            | 876,30.63            | 98,62.92    | 139,29.00   | 13,95.34                                  |
| Over 1 month<br>to 2 months        | 541,71.15            | 535,95.19            | 3,58.62     | -   | 2685,00.00                                |
|                                    | -                    | 458,85.91            | 34,64.90    | 250,00.00   | 500,00.00                                 |
| Over 2<br>months up to<br>3 months | -                    | 548,80.48            | 3,56.30     | -   | 1264,76.76                                |
|                                    | -                    | 469,03.62            | 2,65.99     | 1015,00.00  | -   |
| Over 3<br>months up to<br>6 months | -                    | 1655,16.66           | 10,25.70    | 235,00.00   | 475,01.97                                 |
|                                    | -                    | 1391,17.43           | 7,31.59     | 185,00.00   | 748,84.55                                 |
| Over 6<br>months up to<br>1 year   | 81,72.46             | 3359,36.88           | 18,42.92    | 2454,07.68  | 1353,82.47                                |
|                                    | 500,01.00            | 2666,32.56           | 13,82.85    | 1902,98.05  | 1678,51.42                                |
| Over 1 year<br>up to 3 years       | 22,34.00             | 10150,20.91          | 35,19.22    | 3159,10.71  | 2670,89.28                                |
|                                    | 10.90                | 7801,06.30           | 27,34.70    | 1853,41.00  | 2811,12.60                                |
| Over 3 years<br>up to 5 years      | -                    | 3604,96.39           | 1,07.19     | 1670,00.00  | 447,61.58                                 |
|                                    | 73,48.10             | 2767,15.94           | 49.40       | 2655,51.00  | 658,21.58                                 |
| Over 5 years                       | -                    | 303,40.21            | 97,98.52    | -   | 765,40.00                                 |
|                                    | -                    | 216,52.05            | 72,75.71    | -   | 705,80.00                                 |
| Total                              | 645,77.61            | 21214,46.02          | 173,79.87   | 8634,96.97  | 10443,18.67                               |
|                                    | 673,95.00            | 16646,44.44          | 258,18.06   | 8001,19.05  | 7116,45.49                                |

**Notes**

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



### 38. Capital to Risk Assets Ratio (CRAR)

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

Rs. in lakhs

| Sr. No. | Particulars   | At March 31, 2018 | At March 31, 2017 |
|---------|---|-------------------|-------------------|
| 1       | CRAR (%)  | 16.56%            | 17.49%            |
| 2       | CRAR – Tier I (%)   | 11.81%            | 10.45%            |
| 3       | CRAR – Tier II (%)  | 4.75%             | 7.04%             |
| 4       | Amount of subordinated debt raised as Tier-II capital during the year | 250,00.00         | -                 |
| 5       | Amount raised by issue of Perpetual Debt Instruments during the year  | -                 | -                 |

### 39. Perpetual debt Instruments

Rs. in lakhs

| Sr. No. | Particulars   | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---------|---|---------------------------|---------------------------|
| 1       | Funds raised through perpetual debt instruments   | -                         | -                         |
| 2       | Amount outstanding at the end of year   | 375,30.00                 | 375,30.00                 |
| 3       | Percentage of amount of perpetual debt instrument of the amount of Tier I Capital (note 1)                | 14.19%                    | 20.52%                    |
| 4       | Financial year in which interest on perpetual debt instruments is not paid on account of 'Lock-in Clause' | Nil                       | Nil                       |

#### Notes

1. Before adjusting securitisation exposure.

### 40. Disclosure on securitisation/direct assignment of standard assets

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

Rs. in lakhs

| Sr. No. | Particulars  | At March 31, 2018 | At March 31, 2017 |
|---------|--|-------------------|-------------------|
| 1       | No. of special purpose vehicles (SPVs) sponsored by the Company for securitisation transactions                                      | 5                 | 3                 |
| 2       | Total amount of securitised assets as per books of the SVPs sponsored by the Company (as certified by the SPV's auditors)            | 1393,16.93        | 1080,41.46        |
| 3       | Total amount of exposures retained by the company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet |                   |                   |
|         | a. Off-balance sheet exposures   |                   |                   |
|         | First loss   | -                 | -                 |
|         | Others   | -                 | -                 |



| Sr. No. | Particulars   | At March 31, 2018 | At March 31, 2017 |
|---------|---|-------------------|-------------------|
|         | b. On-balance sheet exposures                                     |                   |                   |
|         | First loss  | 104,06.46         | 73,45.40          |
|         | Others  | 72,31.35          | 53,02.61          |
| 4       | Amount of exposures to securitisation transactions other than MRR |                   |                   |
|         | a. Off-balance sheet exposures                                    |                   |                   |
|         | i) Exposures to own securitizations                               |                   |                   |
|         | First loss  | -                 | -                 |
|         | Others  | 125,10.63         | 109,85.00         |
|         | ii) Exposures to third party securitizations                      |                   |                   |
|         | First loss  | -                 | -                 |
|         | Others  | -                 | -                 |
|         | b. On-balance sheet exposures                                     |                   |                   |
|         | i) Exposures to own securitizations                               |                   |                   |
|         | First loss  | -                 | -                 |
|         | Second Loss (In the Form of Fixed Deposits)                       | 41,71.15          | -                 |
|         | Others  | 79,92.06          | 62,25.54          |
|         | ii) Exposures to third party securitizations                      |                   |                   |
|         | First loss  | -                 | -                 |
|         | Others  | -                 | -                 |

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

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

| Sr. No. | Particulars  | At March 31, 2018 | At March 31, 2017 |
|---------|--|-------------------|-------------------|
| 1       | No. of contracts assigned during the year  | 38140             | -                 |
| 2       | Amount of contracts assigned during the year (Future receivable including interest receivable of Rs. 35,33.76 lacs and overdues) | 639,64.97         | -                 |
| 3       | Retained amount at the time of direct assignment   | 60,43.12          | -                 |
| 4       | Retained amount outstanding  | 34,55.18          | -                 |

**41. Restructured advances**

The Company has not done any restructuring under CDR mechanism and SME debt restructuring mechanism.

Disclosure for movement in restructuring done under 'others mechanism' for the year ended March 31, 2018 is given below.

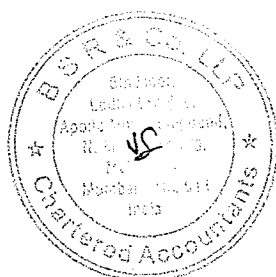


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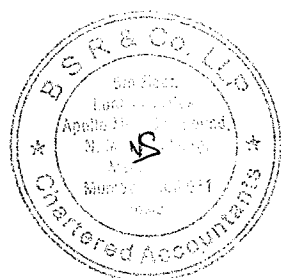
Rs. in lakhs

| Sr. No.   | Particulars   | Others   |              |           |      | Total     |
|-----------|---|----------|--------------|-----------|------|-----------|
|           |   | Standard | Sub-standard | Doubtful  | Loss |           |
| <b>1</b>  | <b>Restructured accounts at April 1, 2017</b>   |          |              |           |      |           |
|           | No. of borrowers  | -        | 12           | 89        | -    | 101       |
|           | Outstanding   | -        | 2,57.15      | 7,86.84   | -    | 10,44.00  |
|           | Provision   | -        | 38.34        | 5,80.24   | -    | 6,18.57   |
| <b>2</b>  | <b>Additions on business acquisition</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | -            | -         | -    | -         |
|           | Outstanding   | -        | -            | -         | -    | -         |
|           | Provision   | -        | -            | -         | -    | -         |
| <b>3</b>  | <b>Fresh restructuring during the year</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | 7            | -         | -    | 7         |
|           | Outstanding   | -        | 7,62.41      | -         | -    | 7,62.41   |
|           | Provision   | -        | 1,12.31      | -         | -    | 1,12.31   |
| <b>4</b>  | <b>Upgradations to restructured standard category during the year</b>   |          |              |           |      |           |
|           | No. of borrowers  | -        | (5)          | (8)       | -    | (13)      |
|           | Outstanding   | -        | (1,90.63)    | (1,27.17) | -    | (3,17.80) |
|           | Provision   | -        | (28.46)      | (95.70)   | -    | (1,24.17) |
| <b>5</b>  | <b>Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at March 31, 2017 and hence need not be shown as restructured standard advances at April 1, 2017</b> |          |              |           |      |           |
|           | No. of borrowers  | -        | -            | -         | -    | -         |
|           | Outstanding   | -        | -            | -         | -    | -         |
|           | Provision   | -        | -            | -         | -    | -         |
| <b>6</b>  | <b>Downgradations of restructured advances during the year</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | (5)          | 5         | -    | -         |
|           | Outstanding   | -        | (57.44)      | 47.10     | -    | (10.34)   |
|           | Provision   | -        | (8.51)       | 36.10     | -    | 27.59     |
| <b>7</b>  | <b>Write offs of restructured accounts during the year</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | -            | (10)      | -    | (10)      |
|           | Outstanding   | -        | -            | (1,22.78) | -    | (1,22.78) |
|           | Provision   | -        | -            | (89.10)   | -    | (89.10)   |
| <b>8</b>  | <b>Recovery from restructured accounts during the year</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | (1)          | (50)      | -    | (51)      |
|           | Outstanding   | -        | (5.04)       | (4,78.36) | -    | (4,83.40) |
|           | Provision   | -        | (0.77)       | (3,38.99) | -    | (3,39.76) |
| <b>9</b>  | <b>Sale of restructured accounts during the year</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | -            | -         | -    | -         |
|           | Outstanding   | -        | -            | -         | -    | -         |
|           | Provision   | -        | -            | -         | -    | -         |
| <b>10</b> | <b>Restructured accounts at March 31, 2018</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | 5            | 26        | -    | 34        |
|           | Outstanding   | -        | 7,66.45      | 1,05.63   | -    | 8,72.08   |
|           | Provision   | -        | 1,12.90      | 92.54     | -    | 2,05.44   |



Disclosure for movement in restructuring done under 'others mechanism' for the year ended March 31, 2017 is given below.

| Sr. No.   | Particulars   | Others   |              |           |      |           |
|-----------|---|----------|--------------|-----------|------|-----------|
|           |   | Standard | Sub-standard | Doubtful  | Loss | Total     |
| <b>1</b>  | <b>Restructured accounts at April 1, 2016</b>   |          |              |           |      |           |
|           | No. of borrowers  | -        | -            | -         | -    | -         |
|           | Outstanding   | -        | -            | -         | -    | -         |
|           | Provision   | -        | -            | -         | -    | -         |
| <b>2</b>  | <b>Additions on business acquisition</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | 12           | 123       | -    | 135       |
|           | Outstanding   | -        | 2,79.43      | 12,11.91  | -    | 14,91.34  |
|           | Provision   | -        | 41.57        | 8,99.20   | -    | 9,40.77   |
| <b>3</b>  | <b>Fresh restructuring during the year</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | 4            | 1         | -    | 5         |
|           | Outstanding   | -        | 39.91        | 2.38      | -    | 42.28     |
|           | Provision   | -        | 5.93         | 1.78      | -    | 7.71      |
| <b>4</b>  | <b>Upgradations to restructured standard category during the year</b>   |          |              |           |      |           |
|           | No. of borrowers  | -        | (1)          | (5)       | -    | (6)       |
|           | Outstanding   | -        | (10.68)      | (10.38)   | -    | (21.06)   |
|           | Provision   | -        | (1.57)       | (7.96)    | -    | (9.53)    |
| <b>5</b>  | <b>Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at March 31, 2016 and hence need not be shown as restructured standard advances at April 1, 2016</b> |          |              |           |      |           |
|           | No. of borrowers  | -        | -            | -         | -    | -         |
|           | Outstanding   | -        | -            | -         | -    | -         |
|           | Provision   | -        | -            | -         | -    | -         |
| <b>6</b>  | <b>Downgradations of restructured advances during the year</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | (2)          | 2         | -    | -         |
|           | Outstanding   | -        | (42.72)      | 39.28     | -    | (3.43)    |
|           | Provision   | -        | (6.25)       | 30.70     | -    | 24.45     |
| <b>7</b>  | <b>Write offs of restructured accounts during the year</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | -            | (14)      | -    | (14)      |
|           | Outstanding   | -        | -            | (2,76.70) | -    | (2,76.70) |
|           | Provision   | -        | -            | (1,90.44) | -    | (1,90.44) |
| <b>8</b>  | <b>Recovery from restructured accounts during the year</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | -            | (22)      | -    | (22)      |
|           | Outstanding   | -        | (8.78)       | (1,79.64) | -    | (1,88.43) |
|           | Provision   | -        | (1.35)       | (1,53.04) | -    | (1,54.39) |
| <b>9</b>  | <b>Sale of restructured accounts during the year</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | -            | -         | -    | -         |
|           | Outstanding   | -        | -            | -         | -    | -         |
|           | Provision   | -        | -            | -         | -    | -         |
| <b>10</b> | <b>Restructured accounts at March 31, 2017</b>  |          |              |           |      |           |
|           | No. of borrowers  | -        | 12           | 89        | -    | 101       |
|           | Outstanding   | -        | 2,57.15      | 7,86.84   | -    | 10,44.00  |
|           | Provision   | -        | 38.34        | 5,80.24   | -    | 6,18.57   |



Provision on restructured advances includes provision on diminution in fair value amounting to Rs. 42.54 Lakhs.

#### 42. 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 |                           | (3,13.54)   | -                        | 2,92.04    |
| 2       | Provision for doubtful loan and advances        |                           | 12,37.76    | -                        | 11.89      |
| 3       | Provision for doubtful finance receivables      | (164,49.13)               |             | (73,00.74)               | -          |
|         | Less: Delinquency support                       | (4,60.74)                 | (169,09.87) | (2,48.30)                | (75,49.04) |
| 4       | Provision made towards income tax (tax expense) |                           | 29,95.25    | -                        | 12,53.56   |
| 5       | Provision for consumer disputes                 |                           | (18.45)     | -                        | 6.94       |
| 6       | Provision on standard assets                    |                           | 20,45.00    | -                        | 2,58.80    |

#### 43. Investments

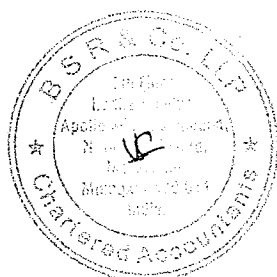
Rs. in lakhs

| Sr. No.  | Particulars                         | At March 31, 2018 |           | At March 31, 2017 |           |
|--|-------------------------------------|-------------------|-----------|-------------------|-----------|
|  |                                     |                   |           |                   |           |
| <b>Value of investments</b>  |                                     |                   |           |                   |           |
| <b>Gross value of investments</b>                                      |                                     |                   |           |                   |           |
| a)   | In India                            |                   | 178,58.36 |                   | 266,12.11 |
| b)   | Outside India                       |                   | -         |                   | -         |
| <b>Provision for depreciation</b>                                      |                                     |                   |           |                   |           |
| a)   | In India                            |                   | 4,78.50   |                   | 7,92.04   |
| b)   | Outside India                       |                   | -         |                   | -         |
| <b>Net value of investments</b>  |                                     |                   |           |                   |           |
| a)   | In India                            |                   | 173,79.86 |                   | 258,20.07 |
| b)   | Outside India                       |                   | -         |                   | -         |
| <b>Movement of provisions held towards depreciation of investments</b> |                                     |                   |           |                   |           |
| 1  | Opening balance                     |                   | 7,92.04   |                   | 5,00.00   |
| 2  | Add: Provision made during the year |                   | -         |                   | 2,92.04   |
| 3  | Less: Utilised                      |                   | (3,13.54) |                   | -         |
| 4  | Closing balance                     |                   | 4,78.50   |                   | 7,92.04   |

#### 44. Capital Market

Rs. in lakhs

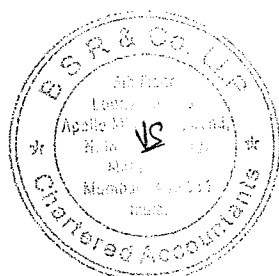
| Sr. No | Particulars  | At March 31, 2018 |          | At March 31, 2017 |          |
|--------|--|-------------------|----------|-------------------|----------|
|        |  |                   |          |                   |          |
| i)     | direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt; |                   | 89,20.19 |                   | 98,20.46 |



|   |  |                  |                  |
|---|--|------------------|------------------|
| ii)                                     | advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;   | -                | -                |
| iii)                                    | advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;  | -                | -                |
| iv)                                     | advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances; | -                | -                |
| v)                                      | secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;  | -                | -                |
| vi)                                     | loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;   | -                | -                |
| vii)                                    | bridge loans to companies against expected equity flows / issues;  | -                | -                |
| viii)                                   | underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;  | -                | -                |
| ix)                                     | financing to stockbrokers for margin trading;  | -                | -                |
| x)                                      | all exposures to Venture Capital Funds (both registered and unregistered)  | 12,94.42         | 13,21.54         |
| <b>Total Exposure to Capital Market</b> |  | <b>102,14.61</b> | <b>111,42.00</b> |

**45. 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         | CRISIL AA/ Positive | CRISIL AA/ Positive | ICRA AA/Positive  | ICRA AA/ Positive  | CARE AA + Stable  | N.A.               |
| Subordinated perpetual NCDs       | CRISIL A+/ Positive | CRISIL A + Positive | ICRA A+/Positive  | ICRA A + Positive  | CARE AA - Stable  | N.A.               |
| Long term bank facilities         | CRISIL AA/ Positive | CRISIL AA/ Positive | ICRA AA/Positive  | ICRA AA/ Positive  | CARE AA + Stables | N.A.               |



| 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* |
| Short term bank facilities | CRISIL A1+        | CRISIL A1 +        | ICRA A1+          | ICRA A1 +          | N.A.              | N.A.               |
| Commercial papers          | CRISIL A1+        | CRISIL A1 +        | ICRA A1 +         | ICRA A1 +          | CARE A1+          | N.A.               |

\*Pursuant to the scheme of arrangement for transfer of business undertaking the company had acquired certain borrowings i.e. bank facilities, debt instruments and Commercial papers from its holding Company TMF Holdings Limited (formerly known as Tata Motors Finance Limited). Considering the scheme became effective from May 9, 2017 (i.e. date of filing of NCLT order with Registrar of Company), the rating agencies had assigned ratings to the above facilities acquired by the Company on May 9, 2017. The ratings mentioned above is of TMF Holdings Limited.

#### 46. Details of financing of parent company's products

Rs. in lakhs

| Particulars         | For the year ended March 31, 2018 |          | For the year ended March 31, 2017 |         |
|---------------------|-----------------------------------|----------|-----------------------------------|---------|
|                     | Nos.                              | Amount   | Nos.                              | Amount  |
| Commercial vehicle# | 115689                            | 11447,82 | 14830                             | 1500,04 |
| Passenger vehicle#  | 42619                             | 2344,53  | 5554                              | 269,90  |

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

#### 47. Concentration of advances

| Particulars   | At March 31, 2018 | At March 31, 2017 |
|---|-------------------|-------------------|
| Total advances on 20 largest borrowers/customers  | 371,20.22         | 348,73.16         |
| Percentage of advances to twenty largest borrowers to total advances of the NBFC on borrowers | 1.75%             | 2.09%             |

#### 48. Concentration of exposures

Rs. in lakhs

| Particulars  | At March 31, 2018 | At March 31, 2017 |
|--|-------------------|-------------------|
| Total exposure on 20 largest borrowers/customers   | 371,20.22         | 348,73.16         |
| Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers | 1.75%             | 2.09%             |

#### 49. Concentration of NPAs

Rs. in lakhs

| Particulars                      | At March 31, 2018 | At March 31, 2017 |
|----------------------------------|-------------------|-------------------|
| Total exposure to top four NPAs* | 18,53.47          | 18,86.34          |

\*Gross of overdue interest and overdue expenses



#### 50. Sector-wise NPAs

| Sr. No. | Sector                             | At March 31, 2018 | At March 31, 2017 (Note 1) |
|---------|------------------------------------|-------------------|----------------------------|
| 1       | Agricultural and allied activities | -                 | -                          |
| 2       | MSME                               | -                 | -                          |
| 3       | Corporate borrowers                | -                 | -                          |
| 4       | Services                           | -                 | -                          |
| 5       | Unsecured personal loans           | -                 | -                          |
| 6       | Auto loan                          | 4.69%             | 9.84%                      |
| 7       | Other personal loan                | -                 | -                          |

- The Company has not availed relief in the classification and provision for non-performing assets against the exposure to micro, small and medium borrowers registered under Goods and Service Tax as provided by RBI through its circular no. RBI/2017-18/129 DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018.
- The Company had considered the relaxation provided by RBI due to demonetisation effect for classification of accounts as sub-standard asset, nonetheless, has continued to record a provision on these overdue assets in line with the extant policy for NPA provisioning. Accordingly, for the purpose of NPA related disclosures, the Company has excluded the above assets, however, has considered the provision created in respect of the same.

#### 51. Details of non-performing financial assets purchased

Rs. in lakhs

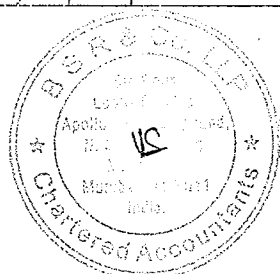
| Sr. No. | Particulars  | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---------|--|---------------------------|---------------------------|
| 1       | a) No. of account purchased (included as part of business acquisition)   | -                         | 61438                     |
|         | b) Aggregate outstanding (gross of overdue interest and overdue charges) | -                         | 2357,54.88                |
| 2       | a) Of these, number of accounts restructured during the year             | N.A.                      | Note 1                    |
|         | b) Aggregate Outstanding   | -                         | -                         |

- Excludes restructuring of accounts made prior to acquisition of business.

#### 52. Movement of NPAs

Rs. in lakhs

| Sr. No.                          | Particulars                      | At March 31, 2018 (Note 1) | At March 31, 2017 (Note 2) |
|----------------------------------|----------------------------------|----------------------------|----------------------------|
| 1                                | Net NPAs to net advances (%)     | 3.27%                      | 7.19%                      |
| <b>1. Movement of gross NPAs</b> |                                  |                            |                            |
| a)                               | Opening balance                  | 1638,79.95                 | -                          |
| b)                               | Acquired on business acquisition | -                          | 1866,96.18                 |



TATA MOTORS FINANCE LIMITED (formerly known as Sheba Properties Limited)  
(CIN – U45200MH1989PLC050444)  
Explanatory notes forming part of the financial statements for the year ended March 31, 2018

| Sr. No.   | Particulars                      | At March 31, 2018 (Note 1) | At March 31, 2017 (Note 2) |
|---|----------------------------------|----------------------------|----------------------------|
| c)  | Addition during the year         | 642,73.69                  | 171,82.28                  |
| d)  | Reduction during the year        | (1285,94.94)               | (399,98.51)                |
| d)  | Closing balance                  | 995,58.70                  | 1638,79.95                 |
| <b>2. Movement of net NPAs</b>  |                                  |                            |                            |
| a)  | Opening balance                  | 1163,21.67                 | -                          |
| b)  | Acquired on business acquisition | -                          | 1319,44.45                 |
| c)  | Addition during the year         | 417,28.98                  | 55,93.67                   |
| d)  | Reduction during the year        | (896,01.10)                | (212,16.45)                |
| e)  | Closing balance                  | 684,49.55                  | 1163,21.67                 |
| <b>3. Movement of provision for NPAs (excluding provision on standard assets)</b> |                                  |                            |                            |
| a)  | Opening balance                  | 475,58.28                  | -                          |
| b)  | Acquired on business acquisition | -                          | 547,51.73                  |
| c)  | Addition during the year         | 225,44.71                  | 115,88.61                  |
| d)  | Reduction during the year        | (389,93.84)                | (187,82.06)                |
| e)  | Closing balance                  | 311,09.15                  | 475,58.28                  |

- The Company has not availed relief in the classification and provision for non-performing assets against the exposure to micro, small and medium borrowers registered under Goods and Service Tax as provided by RBI through its circular no. RBI/2017-18/129 DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018.
- The Company has considered the relaxation provided by RBI due to demonetisation effect for classification of accounts as sub-standard asset, nonetheless, has continued to record a provision on these overdue assets in line with the extant policy for NPA provisioning. Accordingly, for the purpose of NPA related disclosures, the Company has excluded the above assets, however, has considered the provision created in respect of the same.

**53. Customer complaints**

| Sr. No. | Particulars                          | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---------|--------------------------------------|---------------------------|---------------------------|
| 1       | Pending at the beginning of the year | 50                        | -                         |
| 2       | Included on business acquisition     | -                         | 93                        |
| 3       | Received during the year             | 3360                      | 516                       |
| 4       | Redressed during the year            | 3226                      | 559                       |
| 5       | Pending at the end of the year       | 184                       | 50                        |

**54. Frauds**

As required by Reserve Bank of India circular No RBI/2011-12/424 DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 on monitoring of frauds, the Company has reported fraud amounting to Rs. 1,59.24 lakhs during the year ended March 31, 2018 (during the year ended March 31, 2017: Rs. 28.35 lakhs) vide form FMR 1



### 55. Other disclosures

- a) No penalties were imposed by RBI and other regulators during the financial year 2017-18. (financial year 2016-17: Nil).
- b) The Company does not have exposure to the real estate sector (March 31, 2017: Nil).
- c) The Company has not exceeded the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2017-18 (financial year 2016-17: Nil).
- d) The Company is only registered with Reserve Bank of India as a Systematically Important Non-Deposit Taking Non-Banking Financial Company.
- e) 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. (financial year 2016-17: Nil)
- f) The Company has not drawn down any amounts from the reserves during the financial year 2017-18. (financial year 2016-17: Nil).
- g) The Company has not sold Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year (financial year 2016-17: Nil)

### 56. Comparative figures

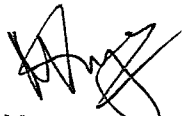
Previous year's amounts have been re-grouped/re-classified wherever necessary to conform to current period's classification/disclosure.

57. Previous year's amounts have been audited b

*Sarwat & Anand Bang Firm*  
*Pending*

As per our report of even date attached.

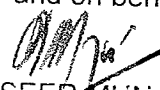
For B S R & Co. LLP  
Chartered Accountants  
Firm Registration Number:  
101248WW-100022





Manoj Kumar Vijai  
Partner  
Membership No. 046882

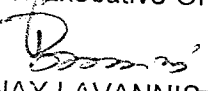
Place: Mumbai  
Date: May 2, 2018

For and on behalf of the Board of Directors

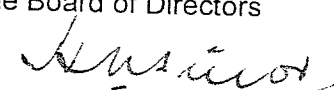
  
NASEER MUNJEE  
Chairman  
(DIN - 00010180)

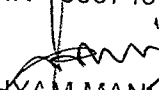
  
P.B. BALAJI  
Director  
(DIN - 02762983)

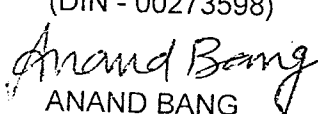
  
SAMRAT GUPTA  
Chief Executive Officer

  
VINAY LAVANNIS  
Company Secretary

Place: Mumbai  
Date: May 2, 2018

  
H.N. SINOR  
Director  
(DIN - 00074905)

  
SHYAM MANI  
Director  
(DIN - 00273598)

  
ANAND BANG  
Chief Financial Officer

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 Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

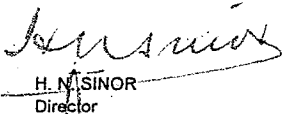
| Particulars       |  | (Rs. In lakhs)     |                    |
|-------------------|--|--------------------|--------------------|
| Liabilities side: |  | Amount outstanding | Amount overdue     |
| (1)               | Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid:* |                    |                    |
| (a)               | Debentures : Secured (Note-1)  | 3846,73.12         | -                  |
|                   | : Unsecured<br>(other than falling within the meaning of public deposits)  | 1760,20.00         | -                  |
| (b)               | Deferred Credits   | -                  | -                  |
| (c)               | Term Loans   | 5388,92.86         | -                  |
| (d)               | Inter-corporate loans and borrowings   | 80,00.00           | -                  |
| (e)               | Commercial Papers (Note-2)   | 5630,34.63         | -                  |
| (f)               | Other Loans  |                    |                    |
|                   | - Working capital demand loan  | 595,00.00          | -                  |
|                   | - Cash Credit  |                    | -                  |
|                   | - From banks   | 1501,04.01         | -                  |
| Assets side:      |  |                    | Amount Outstanding |
| (2)               | Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:                 |                    |                    |
| (a)               | Secured  |                    | -                  |
| (b)               | Unsecured  |                    | -                  |
| (3)               | Break up of Leased Assets and stock on hire and other assets towards AFC activities                                  |                    |                    |
| (i)               | Lease assets including lease rentals under sundry debtors :  |                    |                    |
| (a)               | Financial lease  |                    | -                  |
| (b)               | Operating lease  |                    | 4,21.20            |
| (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   |                    | 139,11.18          |
| (b)               | Loans other than (a) above (refer note 1 & note 2 below)   |                    | 21075,34.84        |
| (4)               | Break-up of Investments:   |                    |                    |
|                   | <u>Current Investments:</u>  |                    |                    |
| 1                 | Quoted :   |                    |                    |
| (i)               | Shares : (a) Equity<br>(b) Preference  |                    | -                  |
| (ii)              | Debentures and Bonds   |                    | -                  |
| (iii)             | Units of mutual funds  |                    | -                  |
| (iv)              | Government Securities  |                    | -                  |
| (v)               | Others   |                    | -                  |
| 2                 | Unquoted:<br>Investment in Senior Pass Through Certificates  |                    | -                  |
| (i)               | Shares : (a) Equity<br>(b) Preference  |                    | -                  |
| (ii)              | Debentures and Bonds   |                    | -                  |
| (iii)             | Units of mutual funds  |                    | -                  |
| (iv)              | Government Securities  |                    | -                  |
| (v)               | Others   |                    | -                  |
|                   | Investment in Senior Pass Through Certificates   |                    | 39,54.94           |
|                   | <u>Long Term Investments:</u>  |                    |                    |
| 1                 | Quoted :   |                    |                    |
| (i)               | Shares : (a) Equity (Investment in subsidiary)<br>(b) Preference   |                    | -                  |
| (ii)              | Debentures and Bonds   |                    | -                  |
| (iii)             | Units of mutual funds  |                    | -                  |
| (iv)              | Government Securities  |                    | -                  |
| (v)               | Others   |                    | -                  |
|                   |  |                    | 25,71.84           |

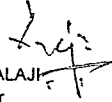
|  |  |  |                               |                     |
|--|--|--|-------------------------------|---------------------|
| 2  | Unquoted:  |  |                               |                     |
|  | (i)  | Shares : (a) Equity (Investment in subsidiaries)<br>(b) Preference |                               | 56,88.57<br>2,89.98 |
|  | (ii)   | Debentures and Bonds   |                               | 3,50.00             |
|  | (iii)  | Units of mutual funds  |                               | -                   |
|  | (iv)   | Government Securities  |                               | -                   |
|  | (v)  | Others   |                               | 12,48.11            |
|  | (vi)   | Investment in Senior Pass Through Certificates                     |                               | 32,76.42            |
| (5) Borrower group-wise classification of assets financed as in (2) and (3) above :  |  |  |                               |                     |
|  |  | Amount net of provisions   |                               |                     |
| Category   |  | Secured  | Unsecured                     | Total               |
| 1  | Related Parties  |  |                               |                     |
|  | (a) Subsidiaries   |  |                               |                     |
|  | (b) Companies in the same group<br>(c) Other related parties | -  | -                             | -                   |
| 2  | Other than Related Parties                                   | 21218,67.22  | -                             | 21218,67.22         |
| Total  |  | 21218,67.22  | -                             | 21218,67.22         |
| (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): |  |  |                               |                     |
| Category   |  | Market Value/<br>Break up or fair<br>value or NAV                  | Book Value (Net of Provision) |                     |
| 1  | Related Parties  |  |                               |                     |
|  | (a) Subsidiaries   | -  |                               | -                   |
|  | (b) Companies in the same group<br>(c) Other related parties | 102,53.56  |                               | 86,18.22            |
| 2  | Other than Related Parties                                   |  |                               |                     |
|  | <u>Quoted</u>  |  |                               |                     |
|  | Investment in Equity Shares                                  | 2,78.09  |                               | 4,83.98             |
|  | <u>Unquoted</u>  |  |                               |                     |
|  | Investment in NCDs   | -  |                               | -                   |
|  | Investment in Senior Pass Through Certificates               | 72,31.36   |                               | 72,31.36            |
| Investment in Units of Mutual fund   | -  |  | -                             |                     |
| Others   | 18,34.50   |  | 12,48.11                      |                     |
| Total  |  | 195,97.51  |                               | 175,81.67           |
| (7) Other information  |  |  |                               |                     |
|  |  | Particulars  |                               |                     |
| (i)  | Gross Non-Performing Assets                                  |  |                               |                     |
|  | (a) Related parties<br>(b) Other than related parties        |  |                               | -<br>995,58.70      |
| (ii)   | Net Non-Performing Assets                                    |  |                               |                     |
|  | (a) Related parties<br>(b) Other than related parties        |  |                               | -<br>684,49.55      |
| (iii)  | Assets acquired in satisfaction of debt                      |  |                               | -                   |

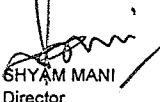
Note 1: Includes Zero coupon debentures of Rs. 2479,73.12 lakhs, net of unamortised premium on redemption of Rs. 301,25.55 lakhs and gross of accreted value of premium on redemption of Rs. 298,73.12 lakhs.

Note 2: Commercial Paper of Rs. 5630,34.63 lakhs are net of unamortised discounting charges amounting to Rs. 54,65.37 lakhs.

  
NASSER MUNJEE  
Chairman  
(DIN - 00010180)

  
H. N. SINOR  
Director  
(DIN - 00074905)

  
P.B. BALAJI  
Director  
(DIN - 02762983)

  
SHYAM MANI  
Director  
(DIN - 00273598)

  
SAMPAT GUPTA  
Chief Executive Officer

  
ANAND BANG  
Chief Financial Officer

Mumbai  
Date : May 02, 2018