

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

Independent Auditor's Report

To the Members of Tata Motors Finance Solutions Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

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

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

Independent Auditor's Report (Continued)

Tata Motors Finance Solutions Limited

Other Information (continued)

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



Independent Auditor's Report (Continued)

Tata Motors Finance Solutions Limited

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

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

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

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

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

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Independent Auditor's Report (Continued)

Tata Motors Finance Solutions Limited

Other Matter

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

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

I. 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 the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by section 143(3) of the Act, we report that:

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

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

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Independent Auditor's Report (Continued)

Tata Motors Finance Solutions Limited

- i. The Company has disclosed the impact of pending litigation as at 31 March 2019 on its financial position in its financial statements - Refer Note 34 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

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

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

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



Manoj Kumar Vijai
Partner
Membership No.046882

Mumbai
6 May 2019

Tata Motors Finance Solutions Limited

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

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

We report that:

- i.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Company has a program of verification to cover all the items of fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
- ii. The Company is in the business of lending and consequently does not hold any physical inventories. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are no loans / guarantees or security provided in connection with any loan which have been given to directors or to any other person in whom the director is interested, therefore the provisions of section 185 of the Act are not applicable to the Company. According to information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans, investments, guarantees, and securities granted.
- v. The Company is a non-banking finance company and consequently is exempt from provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of the services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- vii.
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, goods and service tax, value added tax, cess and other material statutory dues have been regularly deposited with the appropriate



Tata Motors Finance Solutions Limited

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

authorities. As explained to us, the Company did not have any dues on account of wealth tax, duty of customs and duty of excise.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, goods and service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date on when they become payable.
 - (c) According to the information and explanation given to us, and based on our examination of records of the Company, there are no dues of provident fund, employees state insurance, income tax, sales tax, goods and service tax, cess value added tax that have not been deposited on account of dispute.
- viii. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks or debenture holders during the year. During the year, Company did not have any loans or borrowings from the Government.
- ix. According to information and explanations given to us and based on our examination of the records of the Company, the Company has applied money raised from the term loans during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. Company has not raised monies by way of initial public offer or further public offer including debt instruments during the year.
- x. According to information and explanations given to us and based on our examination of the records of the Company, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided the managerial remuneration during the year. Accordingly, paragraph 3(xi) is not applicable to the Company.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. According to information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) is not applicable to the Company.

Tata Motors Finance Solutions Limited

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

- xv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, the provisions of paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. According to information and explanations given to us, the Company is registered, as required under section 45 IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration.

For **BSR & Co. LLP**

Chartered Accountants

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



Manoj Kumar Vijai

Partner

Membership No. 046882

Mumbai
6 May 2019

Tata Motors Finance Solutions Limited

Annexure B to the Independent Auditor's report on the financial statements of Tata Motors Finance Solutions Limited

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

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

Opinion

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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Tata Motors Finance Solutions Limited

Annexure B to the Independent Auditor's report on the financial statements of Tata Motors Finance Solutions Limited

Auditor's Responsibility (*continued*)

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

Mumbai
6 May 2019

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

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



Manoj Kumar Vijai
Partner

Membership No. 046882

Particulars	Notes	As at	As at	As at
		March 31, 2019	March 31, 2018	April 1, 2017
I ASSETS				
1 Financial assets				
(a) Cash and cash equivalents	5	502,50.69	270,46.89	424,59.77
(b) Bank balance other than cash and cash equivalents	6	100,00.00	100,00.00	100,00.00
(c) Receivables				
i. Trade receivables	7	23.53	3,70.41	-
ii. Other receivables	8	5,31.26	5,88.91	-
(d) Loans	9	4651,87.70	2874,77.89	4061,33.39
(e) Investments	10	1270,21.35	1180,83.61	762,05.98
(f) Other financial assets	11	43,66.42	80,44.13	135,32.74
		6573,80.95	4516,11.84	5483,31.88
2 Non-financial assets				
(a) Current tax assets (net)		45,09.72	40,79.04	24,36.16
(b) Deferred tax assets (net)	12	20,57.37	-	2,13.43
(c) Investment in associates	10A	105,00.00	105,00.00	105,00.00
(d) Property, plant and equipment	13	2,09.98	1,93.67	1,22.51
(e) Goodwill	13A	180,25.25	180,25.25	180,25.25
(f) Other intangible assets	13B	1,85.56	1,90.38	-
(g) Other non-financial assets	14	20,18.55	18,26.65	12,96.48
		375,06.43	348,14.99	325,93.83
Total assets		6948,87.38	4864,26.83	5809,25.71
II LIABILITIES AND EQUITY				
1 Financial liabilities				
(a) Payables				
(i) Trade payables				
- total outstanding dues of creditors other than micro enterprises and small enterprises	15	28,62.08	24,14.24	23,40.73
(ii) Other payables				
- total outstanding dues of creditors other than micro enterprises and small enterprises	16	14,53.81	60,19.89	1024,59.58
(b) Debt securities	17	2281,32.59	2192,86.38	2060,41.75
(c) Borrowings (other than debt securities)	18	3209,07.63	1449,02.03	1522,71.38
(d) Subordinated liabilities	19	99,75.01	-	-
(d) Other financial liabilities	20	114,67.18	57,74.79	48,35.19
		5747,98.30	3783,97.33	4679,48.63
2 Non-financial liabilities				
(a) Current tax liabilities (net)		3,02.53	-	-
(b) Provisions	21	2,95.18	2,08.97	2,99.37
(c) Other non-financial liabilities	22	36,70.57	19,94.39	5,06.39
		42,68.28	22,03.36	8,05.76
3 Equity				
(a) Equity share capital	23	1700,49.74	1700,49.74	1700,49.74
(b) Other equity		(542,28.94)	(642,23.60)	(578,78.42)
		1158,20.80	1058,26.14	1121,71.32
Total liabilities and equity		6948,87.38	4864,26.83	5809,25.71

See accompanying summary of significant accounting policies and explanatory notes (1 to 40) forming part of the financial statements

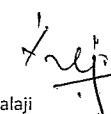
As per our report of even date attached

For and on behalf of the Board of Directors

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



Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date: May 6, 2019

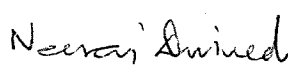

P. B. Balaji
Chairman
(DIN - 02762983)


Rohit Sarda
Chief Financial Officer

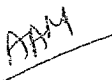
Place: Mumbai
Date: May 6, 2019


Vinesh Jairath
Director
(DIN - 00391684)


Shyam Mani
Director
(DIN - 00273598)


Neeraj Dwivedi
Company Secretary

Neeraj Dwivedi
Company Secretary



(₹ in lakhs)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
(a) Interest income	24	564,32.69	384,28.42
(b) Dividend income		2,78.40	1,85.48
(c) Net gain on fair value changes	25	28,88.33	17,50.73
(d) Other fees and service charges		623.35	614.93
I Total Revenue from operations		602,22.77	409,79.56
II Other income	26	2,50.00	2,48.45
III Total income (I + II)		604,72.77	412,28.01
IV Expenses:			
(a) Finance cost	27	362,97.91	288,66.01
(b) Impairment on financial instruments and other assets	28	(38,69.82)	(4,69.10)
(c) Employee benefits expenses	29	60,57.08	57,10.24
(d) Depreciation, amortization and impairment	13	1,37.81	98.55
(e) Other expenses	30	119,06.61	132,56.67
Total expenses		505,29.59	474,62.37
V Profit/(loss) before tax (III - IV)		99,43.18	(62,34.36)
VI Tax expense / (income)	12		
Current tax		-	-
Deferred tax		-	2,13.43
Total tax expense		-	2,13.43
VII Profit/(loss) for the year (V - VI)		99,43.18	(64,47.79)
VIII Other comprehensive income			
A i. Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit plans		51.48	1,02.61
ii. Income tax relating to items that will not be reclassified to profit or loss		-	-
IX Total comprehensive income for the year (VII + VIII)		99,94.66	(63,45.18)
X Earnings per equity share of ₹ 100 each			
Basic (in ₹)		5.85	(3.79)
Diluted (in ₹)		5.85	(3.79)
XI Weighted average number of outstanding shares		17,00,49,735	17,00,49,735

See accompanying summary of significant accounting policies and explanatory notes (1 to 40) 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



Mahoj Kumar Vijai

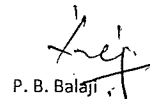
Partner

Membership No. 046882

Place : Mumbai

Date: May 6, 2019


For and on behalf of the Board of Directors



P. B. Balaji
Chairman
(DIN - 02762983)



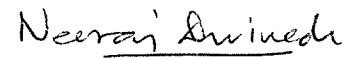
Vinesh Jairath
Director
(DIN - 00391684)



Shyam Mani
Director
(DIN - 00273598)



Rohit Sarda
Chief Financial Officer



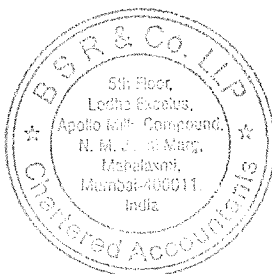
Neeraj Dwivedi
Company Secretary

Place: Mumbai
Date: May 6, 2019

AANA

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax for the year	99,43.18	(62,34.36)
Adjustments for:		
Interest Income		
Interest expenses and other borrowing costs	(564,32.69)	(384,28.42)
Discounting charges on commercial paper	517,41.54	350,98.55
Provision for employee benefit schemes	154,40.58	60,84.77
Gain on sale of current investments	8.43	57.11
Provision for doubtful Loans (net of write off)	(28,88.33)	(17,50.73)
Provision for diminution in the value of investments	(52,86.07)	(10,00.88)
Loss on sale of property, plant and equipments (including write off)	1374.39	524.95
Dividend Income	9.89	46.44
Provision for indirect tax	(2,78.40)	(1,85.48)
Depreciation and amortisation expenses	-	2.02
Balances written back	1,37.81	98.55
Operating cash flow before working capital changes and discounting charges	(94.56)	2,88.38
Movements in working capital	136,75.77	(53,99.10)
Trade payables	4,47.84	73.51
Other payables	(4566.08)	(96439.69)
Other financial liabilities	56,90.42	17,49.22
Other non financial liabilities	16,76.18	14,88.00
Trade receivables	4,41.44	(6,58.79)
Other receivables	57.65	(5,88.91)
Loans	(1707,73.64)	1205,29.54
Investments considered as credit facilities	(103,12.13)	(634,13.71)
Other financial assets	40,24.72	59,37.72
Other non financial assets	(1,91.90)	(5,30.17)
Provisions for employee benefits schemes	1,29.26	(46.92)
	(1597,00.47)	(372,99.30)
Current taxes paid (net)	(21,85.52)	(16,42.88)
Interest income received on loans, deposits and investments	544,35.59	371,06.15
Interest expenses and other finance cost paid	(659,57.26)	(410,19.18)
Net cash used in operating activities	(1734,07.66)	(428,55.21)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible assets (including capital work-in-progress and capital advances)	(1,62.04)	(4,17.52)
Proceeds from sale of fixed assets	2.84	10.99
Dividend Income	2,78.40	1,85.48
Purchase of mutual fund units	(39689,95.00)	(18796,39.00)
Redemption of mutual fund units	39718,83.33	19024,00.86
Net cash from investing activities	30,07.53	225,40.81
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Debt securities	9803,93.73	4341,60.42
Repayment of Debt securities	(9727,79.26)	(4217,41.22)
Proceeds from Subordinated liabilities	100,00.00	-
Proceeds from borrowings (other than debt securities)	4244,89.46	450,00.00
Repayment of borrowings (other than debt securities)	(2485,00.00)	(525,17.68)
Net cash from financing activities	1936,03.93	49,01.52
Net increase / (decrease) in cash and cash equivalents (A + B + C)	232,03.80	(154,12.88)
Particulars		
	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash and cash equivalents at the beginning of the year	270,46.89	424,59.77
Cash and cash equivalents at the end of the year	502,50.69	270,46.89
Net increase / (decrease) in cash and cash equivalents [Refer: Notes below]	232,03.80	(154,12.88)



Changes in liabilities arising from financing activities:

Particulars	(₹ in lakhs)	
		Borrowings
Balances as at April 1, 2017		3583,13.13
Cashflow changes		(3,57.26)
Amortisation / EIR adjustments		62,32.54
Balances as at March 31, 2018		3641,88.41
Cashflow changes		1793,83.19
Amortisation / EIR adjustments		154,43.63
Balances as at March 31, 2019		5590,15.23

See accompanying summary of significant accounting policies and explanatory notes (1 to 40) forming part of the financial statements

Notes:

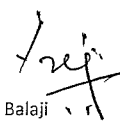
1 Finance costs has been considered as arising from operating activities in view of the nature of the Company's business.

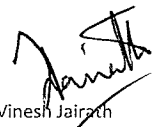
As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022



Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date: May 6, 2019

For and on behalf of the Board of Directors

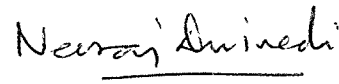

P. B. Balaji
Chairman
(DIN - 02762983)


Vinesh Jairath
Director
(DIN - 00391684)


Shyam Mani
Director
(DIN - 00273598)


Rohit Sarda
Chief Financial Officer

Place: Mumbai
Date: May 6, 2019


Neeraj Dwivedi
Company Secretary



A. Equity share capital

(₹ in lakhs)

Equity Shares	As at March 31, 2019		As at March 31, 2018	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	17,00,49,735	1700,49.74	17,00,49,735	1700,49.74
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	17,00,49,735	1700,49.74	17,00,49,735	1700,49.74

B. Other equity

(₹ in lakhs)

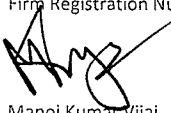
Particulars	Other reserves			Total equity
	Special reserve	Retained earnings		
		Undistributable (Ind AS 101)	Distributable	
Balance as at April 1, 2018	1,58.62	(66,16.87)	(577,65.35)	(642,23.60)
a) Profit for the year	-	-	99,43.18	99,43.18
b) Other comprehensive income /(loss) for the year	-	-	51.48	51.48
Total comprehensive income / (loss) for the year	-	-	99,94.66	99,94.66
Less: Transfer to Special Reserve	19,88.64	-	(19,88.64)	-
Balance as at March 31, 2019	21,47.26	(66,16.87)	(497,59.33)	(542,28.94)

(Rs in lakhs)

Particulars	Other reserves			Total equity
	Special reserve	Retained earnings		
		Undistributable (Ind AS 101)	Distributable	
Balance as at April 01, 2017	1,58.62	(66,16.87)	(514,20.17)	(578,78.42)
a) Profit for the year	-	-	(64,47.79)	(64,47.79)
b) Other comprehensive income /(loss) for the year	-	-	1,02.61	1,02.61
Total comprehensive income / (loss) for the year	-	-	(6,345.18)	(63,45.18)
Balance as at March 31, 2018	1,58.62	(66,16.87)	(577,65.35)	(642,23.60)

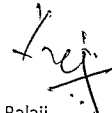
See accompanying summary of significant accounting policies and explanatory notes (1 to 40) forming part of the financial statements


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 6, 2019

For and on behalf of the Board of Directors

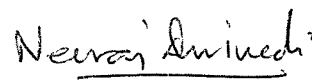

P. B. Balaji
Chairman
(DIN - 02762983)


Shyam Mani
Director
(DIN - 00273598)


Vinesh Jairath
Director
(DIN - 00391684)


Rohit Sarda
Chief Financial Officer

Place: Mumbai
Date: May 6, 2019


Neeraj Dwivedi
Company Secretary



Note 1 Company information

Tata Motors Finance Solutions Limited ("the Company") is a public limited company incorporated and domiciled in India and has its registered office in Mumbai, India. The Company is registered as a Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Company ("NBFC") under section 45-IA of the Reserve Bank of India, Act 1934 ("RBI") with effect from December 8, 2003. The Company is a wholly owned subsidiary of TMF Holdings Limited (Formerly known as Tata Motors Finance Limited) with effect from January 19, 2015.

The Company is engaged primarily in lending activities in providing finance, a) for pre owned vehicles and b) to Corporate dealers and vendors of ultimate parent company (referred to as "Tata Motors Limited"), through its wide network all over India branch network.

The financial statements were approved by the Board of Directors and authorised for issue on May 6, 2019.

Note 2 Basis of preparation

2.1 Statement of compliance

In accordance with the notification issued by Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rule 2015 as amended, from April 1, 2018 and the effective date of such transition is April 01, 2017. Such transition has been carried out in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards from erstwhile Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and guidelines issued by Reserve Bank of India ('RBI') (collectively referred to as the 'Previous GAAP'). The Company has presented a reconciliation from the presentation of financial statements under Previous GAAP to Ind AS of Shareholders' equity as at March 31, 2018 and April 1, 2017 and of the total comprehensive income for the year ended March 31, 2018. Refer Note 4 for the details of first-time exemptions availed and an explanation for the impact of the transition from previous GAAP to Ind AS on the Company's financial position, financial performance and cash flows.

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

2.2 Historical cost convention

The financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

2.3 Presentation of financial statements

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

Note 3 SIGNIFICANT ACCOUNTING POLICIES

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

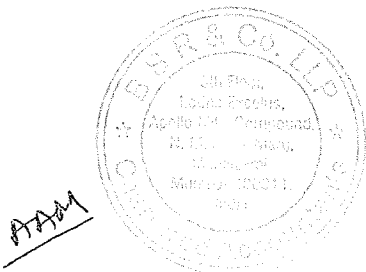
(i) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the

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

- a) Note 3(xv) and 36(A) - Impairment of financial assets based on the expected credit loss model
- b) Note 3(ii) - Recognition of interest income/expenses using Effective Interest Rate (EIR) method.
- c) Note 3(vii) and 3(viii) - Useful lives of property, plant and equipment.
- d) Note 3(xi) and 37 - Measurement of assets and obligations of defined benefit employee plans.
- e) Note 3(iv) and 11 - Recognition of income taxes.
- f) Note 3(xii) and 35 - Measurement and recognition of provisions and contingencies.
- g) Note 3(xvi) and 35 - Fair value measurement of financial instruments.



(ii) Revenue recognition

(A) Revenue from operations

Income on finance receivables

Interest income from finance receivables is recognised using the effective interest rate method (EIR). The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees/service charges and incentives paid and received that form an integral part of the effective interest rate, transaction costs (i.e. agent's commission/fees) and other premium or discounts) through the expected life of the finance receivables.

(B) Other Income

Interest income

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

Dividend income

Dividend income is recognised in the income statement on the date when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured.

(iii) Foreign currency

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

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

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

(iv) Income Taxes

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

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

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

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

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

(v) Cash and Cash equivalent

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

(vi) Earning per share

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

(vii) Property, Plant and equipment (PPE)

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

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



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

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

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

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

Type of Assets	Estimated useful life
Data Processing Machines	3 Years
Office Equipment	2 to 10 Years
Motor Vehicles	4 Years

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

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

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

(viii) Other intangible assets

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

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

Intangible assets and their useful lives are as under

Type of Assets	Estimated useful Life
Software	5 years

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

(ix) Leases

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

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

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

(x) Impairment of Non financial assets

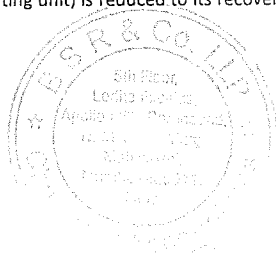
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

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

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(xi) Employee benefits

(A) Short term employee benefits

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

(B) Post Employment/retirement benefit Plans

(1) Defined contribution plans

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

(a) Provident fund

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

(b) Superannuation fund

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

(2) Defined benefit plans

(a) Gratuity

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

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

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

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

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

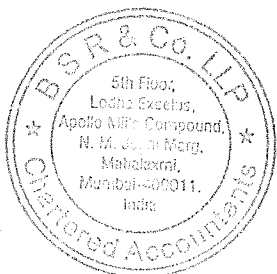
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(C) Other long term employee benefit plans

(1) Defined benefit plans

(a) Compensated absences

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



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(xii) Provisions and Contingent Liabilities

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

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

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

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

(xiii) Dividend (including dividend distribution tax)

Any dividend declared or paid by Company is based on the profits available for distribution as reported in the financial statements. Indian law mandates that dividend be declared out of distributable profits, after setting off un-provided losses and depreciation of previous years. In case of inadequacy or absence of profits in a particular year, a company may pay dividend out of accumulated profits of previous years transferred to Statement of Profit and Loss. However, in the absence of accumulated profits a company may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and Payment of Dividend) Rules, 2014. Accordingly, in certain years the net income reported in these financial statements may not be fully distributable.

(xiv) Segment reporting

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

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

(xv) Financial instruments

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

(A) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement :-

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

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

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

(i) Debt Instruments

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

(a) At amortised cost:

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

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

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(III) Write off

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

(IV) Derecognition of financial assets

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

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

(B) Financial liabilities and equity instruments

Classification as debt or equity

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

(I) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

(a) At FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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

(b) At amortised cost:

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

Derecognition of financial liabilities:

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

Modification/Renegotiation that do not result in derecognition

Changes to the carrying amount of a financial liability as a result of renegotiation or modification of terms that do not result in derecognition of the financial liability, is recognised in the Statement of Profit and Loss.

(II) Equity instrument

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



(III) Compound financial instrument

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

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

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

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

(xvi) Fair value measurement

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

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

(xvii) Offsetting financial instruments

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

(xviii) New Accounting Pronouncement

(A) New accounting standards not yet adopted

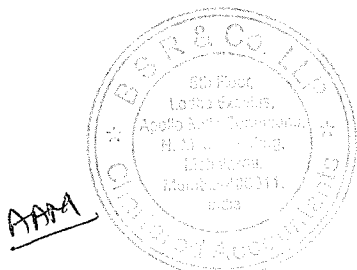
In March 2019, MCA issued Ind AS 116 - Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous standard on leasing, Ind AS 17 -Leases. Ind AS 116, which is not applicable to service contracts,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

The Company will be adopting Ind AS 116 with a modified retrospective approach with effect from April 1, 2019. The cumulative effect of initially applying this Standard will be recorded as an adjustment to the opening balance of retained earnings. Figures for comparative periods will not be restated.

The Company will use the exemption option available for existing leases and apply the available exemptions regarding the recognition of short term leases and low value leasing assets. Basis assessment, the Company arrangements under operating leases, which are currently off Balance sheet, will be recorded as right to use assets and the future obligations in respect of such leases will be recorded as a liability in the Balance sheet as at April 1, 2019. The Company is evaluating impact of above amendments issued by MCA to existing accounting standards.

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

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



(B) Amendments issued by MCA to existing standards

MCA issued following amendments to certain standards which will be effective from financial year beginning April 1, 2019.

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

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

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

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

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

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

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

If there is uncertainty over tax treatment of an item:

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

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

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

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

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

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

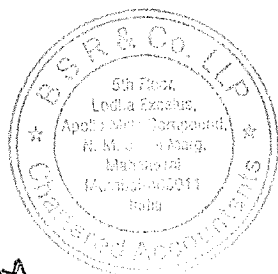
The Company is evaluating impact of above amendments issued by MCA to existing accounting standards.

Note 4 First time adoption of Ind AS- Exemptions and Exceptions availed

The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required by Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

(A) Business combination

Business combination prior to April 1, 2016 have been accounted in accordance with Previous GAAP. Goodwill arising from business combination has been stated at the carrying amount under Previous GAAP.



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Note 4 First time adoption- Transition to Ind AS

Reconciliations between Previous GAAP and Ind AS

a) Equity reconciliation

(₹ In lakhs)

Particulars	Notes	As at March 31, 2018	As at April 01, 2017
Total equity as reported under the Previous GAAP		1165,05.14	1187,88.18
Provision for impairment allowance based on expected credit loss model (ECL)	(i)	(103,31.91)	(67,30.26)
Fair valuation of investments in mutual funds through profit or loss	(ii)	-	5.56
Effective Interest Rate (EIR) adjustment for financial instruments	(iii)	(3,47.09)	1,07.84
Total equity as per Ind AS		1058,26.14	1121,71.32

b) Total Comprehensive Income reconciliation

Particulars	Notes	Year ended March 31, 2018
Net profit after tax as reported under previous GAAP		(22,83.04)
Provision for impairment allowance based on expected credit loss model (ECL)	(i)	(36,01.67)
Fair valuation of investments in mutual funds through profit or loss	(ii)	(5.56)
Effective Interest Rate (EIR) adjustment for financial instruments	(iii)	(4,54.91)
Remeasurements of the defined benefit plans	(iv)	(102.61)
Net profit after tax as per Ind AS		(64,47.79)
Other comprehensive income (net of tax effect)	(v)	102.61
Total Comprehensive income after tax as per Ind AS		(63,45.18)

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

There are no material adjustments to Statement of Cash Flows as reported under the Previous GAAP.

d) Notes to reconciliations between Previous GAAP and Ind AS

(i) Provision for impairment allowance based on expected credit loss model (ECL)

Impairment of finance receivables is measured at an amount equal to twelve month expected losses if credit risk on such assets has not increased significantly since initial recognition. An allowance equal to lifetime expected losses is provided if credit risks has increased significantly from the date of initial recognition.

Under Previous GAAP, provision for impairment allowance were determined based on RBI guidelines on classification and provisioning norms.

(ii) Fair valuation of investments

Under Previous GAAP, investments were classified into current and long term investments. Current investments are carried at the lower of cost or market value, while long term investments are carried at cost less any impairment that is other than temporary.

Under Ind AS, quoted equity investments have been classified as Fair Value through Other Comprehensive Income (FVTOCI). Fair value movements are recognized directly in other comprehensive income on such investments. Investments in unquoted equity instruments and Mutual Funds and units of trust securities have been classified as Fair value through Profit or Loss (FVTPL) and fair value changes are recognised

(iii) Effective Interest Rate (EIR) adjustment for financial instruments

Under Previous GAAP, the transaction costs were recognised in the profit or loss on a straight line basis over the tenure/term of the loans.

Under Ind AS, the transaction costs are included/deducted from the initial carrying amount of the financial assets/financial liabilities on initial recognition and recognised as interest income in the profit or loss by applying the effective interest rate method i.e. recognised in the profit or loss based on an effective interest rate derived based on guidance detailed in Ind AS 109.

(iv) Deferred taxes

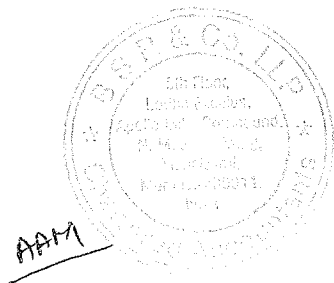
Under previous GAAP, a deferred tax asset is recognised for unused tax losses and unabsorbed depreciation only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be utilised.

Under Ind AS, a deferred tax asset is recognised for the carryforward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. Accordingly as per Ind AS 12, the Company has considered MAT credit entitlement as deferred tax asset being unused tax credit entitlement.

Also, deferred tax have been recognised on the various gaap adjustments made above on the transition to Ind AS

(v) Other Comprehensive Income (OCI)

Under Ind AS, income and expenses relating to fair value of gains/(losses) on FVOCI investments in equity instruments and re-measurements of post employment defined benefit plan are recognised in OCI. The concept of other comprehensive income did not exist under previous GAAP.



Note 5

Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cash on hand	1,28.97	78.97	30.89
Balance with Banks	149,80.08	102,05.49	126,05.02
Cheques, drafts on hand	351,41.64	132,62.43	73,23.86
Bank deposit with maturity of less than 3 months	-	35,00.00	225,00.00
Total	502,50.69	270,46.89	424,59.77

Note 6

Bank Balance other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deposits with banks	100,00.00	100,00.00	100,00.00
Total	100,00.00	100,00.00	100,00.00

Note 7

Trade Receivables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Receivables considered good - Unsecured			
-From related parties	23.53	3,70.41	-
Total	23.53	3,70.41	-
Less: Provision for impairment	-	-	-
Total	23.53	3,70.41	-

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

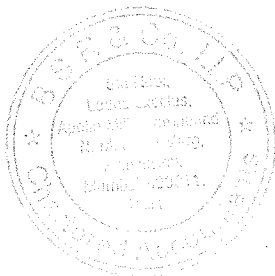
Note 8

Other Receivables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Unsecured considered good			
-From related parties	5,31.26	5,88.91	-
Total	5,31.26	5,88.91	-

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



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Note 9
Loans

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At Amortised Cost			
(A)			
From Financing Activities			
- Term loans	3805,56.71	2480,43.76	3905,80.23
- Channel financing	962,62.51	524,52.81	248,83.95
Total (A) - Gross	4768,19.22	3004,96.57	4154,64.18
Less: Impairment loss allowance	(116,31.52)	(130,18.68)	(93,30.79)
Total (A) - Net	4651,87.70	2874,77.89	4061,33.39
(B)			
Secured by tangible assets*	4201,26.99	2529,92.87	3946,72.26
Unsecured	566,92.23	475,03.70	207,91.92
Total (B) - Gross	4768,19.22	3004,96.57	4154,64.18
Less: Impairment loss allowance	(116,31.52)	(130,18.68)	(93,30.79)
Total (B) - Net	4651,87.70	2874,77.89	4061,33.39
(C)			
Loans in India			
- Public Sector	-	-	-
- Others	4768,19.22	3004,96.57	4154,64.18
Loans outside India			
- Public Sector	-	-	-
- Others	-	-	-
Total (C) - Gross	4768,19.22	3004,96.57	4154,64.18
Less: Impairment loss allowance	(116,31.52)	(130,18.68)	(93,30.79)
Total (C) - Net	4651,87.70	2874,77.89	4061,33.39

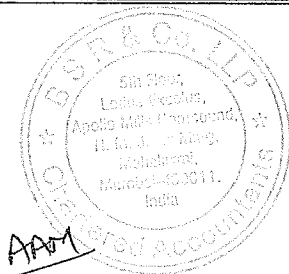
* Company covers/secures the credit risk associated with the loans lent to customers by creating an exclusive charge/hypothecation/security on the assets as mentioned/sepecified in the loan agreement with the customers.

Note 11
Other financial assets

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deposits	11.80	7.80	5.80
Interest accrued on deposits and investments	12,12.73	8,65.72	4,16.61
Application money receivable towards securities	30,83.38	71,51.59	131,04.87
Others	58.51	19.02	5.46
Total	43,66.42	80,44.13	135,32.74

Note 14
Other non-financial assets

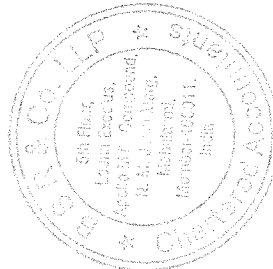
Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Capital Advances	-	-	16.44
Deposits with statutory authorities	15.60	14.60	13.35
Prepaid expenses	2.40	0.44	7.24
Taxes recoverable, statutory deposits and dues from government	17,66.70	13,90.55	10,85.02
Stamp Papers	1,45.29	1,04.61	37.35
Others	88.56	3,16.45	1,37.08
Total	20,18.55	18,26.65	12,96.48



TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of financial statements for the year ended March 31, 2019

Note 10
Investments

	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	At fair value		Total	Amortised cost	At fair value		Total	Amortised cost	At fair value		Total	Amortised cost
	Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
i. Mutual funds	-	-	-	-	-	-	-	-	-	-	-	
ii. Debt securities	17,027.05	-	6,750.00	23,777.05	3,634.21	6,750.00	-	21,005.56	-	21,005.56	21,005.56	
iii. Investment in PTC	1,05,871.90	-	-	1,05,871.90	1,08,952.62	-	-	-	-	-	1,036.19	
Total (A) - Gross	1,22,898.95	-	6,750.00	1,29,648.95	1,12,586.83	6,750.00	-	21,005.56	-	21,005.56	54,892.50	
i. Investments outside India												
ii. Investments in India				1,29,648.95								
Total (B)				1,29,648.95							76,934.25	
Less: Allowance for impairment loss (C)	(2,627.60)			(2,627.60)	(1,253.22)						(728.27)	
Total (D) = (A - C)	1,20,271.35			1,27,021.35	1,11,333.61						76,205.98	



Details of investments

(₹ in lakhs)

Particulars	Qty	Face value	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a. Measured at Fair value through profit or loss					
i. Investment in compulsory convertible debentures (unquoted)					
9.00% Jasper Industries (P) Ltd.	30	1,00,00,000	30,00.00	30,00.00	-
9.25% Bhandari Automobiles (P) Ltd.	20,00,000	100	20,00.00	20,00.00	-
9.50% ABT Industries	175	10,00,000	17,50.00	17,50.00	-
Total (A)			67,50.00	67,50.00	-
ii. Mutual funds					
Total (B)			-	-	210,05.56
Total (A + B)			67,50.00	67,50.00	210,05.56
b. Measured at amortised cost					
i. Investment in non convertible debentures (unquoted)					
14.00% Ebony Motors	1	3,50,00,000	1,67.88	2,07.80	2,36.69
14.00% Fortune Cars (P) Ltd.	1	3,00,00,000	76.65	1,43.89	2,02.88
14.00% Mohandas Motors	1	4,00,00,000	32.52	32.52	2,88.97
14.00% Pandit Automotive (P) Ltd.	1	4,00,00,000	-	-	3,07.65
10.75% Bhandari Automobiles (P) Ltd.	25,00,000	100	25,00.00	25,00.00	-
11.00% ABT Industries	75	10,00,000	7,50.00	7,50.00	-
Total (A)			35,27.05	36,34.21	10,36.19
ii. Investment in compulsory convertible debentures (unquoted)					
10.00% RSB Transmission (I) Limited	110	1,00,00,000	110,00.00	-	-
7.75% Kool-Ex Cold Chain Limited	25	1,00,00,000	25,00.00	-	-
Total (B)			135,00.00	-	-
iii. Investment in PTC					
Total (C)			1058,71.90	1089,52.62	548,92.50
Less: Allowance for impairment loss			(D)	(26,27.60)	(12,53.22)
Total (A + B + C + D)			1202,71.35	1113,33.61	552,00.42

Note 10A

Investments in associates (at cost)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Investments in unquoted equity shares			
Tata Motors Finance Limited (formerly known as Sheba Properties Limited) (18,22,016 shares @ ₹ 100.00 per share)	105,00.00	105,00.00	105,00.00
Total	105,00.00	105,00.00	105,00.00



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Note 12

Income taxes

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

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	2,057.37	-
MAT credit recognised for the year	(2,057.37)	
Total current tax expense	-	-
<i>Deferred tax</i>		
(Increase) in deferred tax assets	(4,99.56)	270.76
Increase in deferred tax liabilities	4,99.56	(57.33)
Total deferred tax expense/(benefit)	-	2,13.43
Income Tax expense	-	2,13.43

b) Reconciliation of the income tax expenses and accounting profit

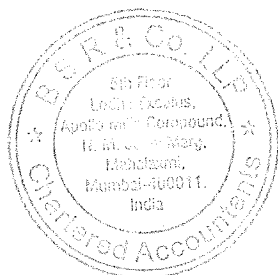
Reconciliation of the income tax expense and the accounting profit multiplied by India's tax rate:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(Loss) before taxes	99,43.18	(62,34.36)
Income tax expenses calculated at 34.944% (previous year 34.608 %)	34,74.55	(21,57.59)
- Effect of income that is exempt from taxation	(97.24)	(64.81)
- Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(33,77.31)	2,15.50
- Impact of change in statutory tax rates	-	(1.86)
- Deferred tax assets not recognised because realization is not probable	-	22,22.19
Income tax expense recognised for the year at effective tax rate	-	2,13.43

c) Deferred tax assets/liabilities (net)

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

Particulars	(₹ in lakhs)			
	As at April 1, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive Income	As at March 31, 2019
Deferred tax liabilities :				
- Sourcing commission claimed on incurrence basis	-	4,99.56	-	4,99.56
Total deferred tax liabilities	-	4,99.56	-	4,99.56
Deferred tax asset :				
- Expenses deductible in future years: provisions for impairment allowances for doubtful receivables and others	-	4,99.56	-	4,99.56
Total deferred tax assets	-	4,99.56	-	4,99.54
Net deferred tax asset/(liabilities)	-	-	-	-
- Minimum alternate tax (MAT) entitlement	-	20,57.37	-	20,57.37
Deferred tax assets/(liabilities) (net)	-	20,57.37	-	20,57.37



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

(₹ in lakhs)				
Particulars	As at April 1, 2017	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive Income	As at March 31, 2018
Deferred tax liabilities :				
- Sourcing commission claimed on incurrence basis	57.33	(57.33)	-	-
Total deferred tax liabilities	57.33	(57.33)	-	-
Deferred tax asset :				
- Property, plant & equipment and intangible assets - Accumulated depreciation/amortisation	35.77	(35.77)	-	-
- Expenses deductible in future years:				
provisions for impairment allowances for doubtful receivables and others	2,16.21	(216.21)	-	-
Compensated absences and retirement benefits allowable on payment basis	16.38	(16.38)	-	-
- Minimum alternate tax (MAT) entitlement				
- Others	2.40	(2.40)	-	-
Total deferred tax assets	2,70.76	(270.76)	-	-
Net deferred tax asset/(liabilities)	2,13.43	(2,13.43)	-	-

d) Amounts recognised directly in equity

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

e) Tax losses

As at March 31, 2019, unrecognized deferred tax assets amounting to ₹ 57,32.35 lakhs and ₹ 40,03.88 lakhs which can be carried forward indefinitely and up to a specified period, respectively. These relate primarily to business losses, depreciation carry forwards and other deductible temporary differences. The deferred tax asset has not been recognized on the basis that its recovery is not probable in the foreseeable future.

Unrecognized deferred tax assets expire unutilized based on the year of origination as follows:

March 31,	₹ In lakhs
2023	90.94
2024	-
Thereafter	39,12.94



TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of financial statements for the year ended March 31, 2019

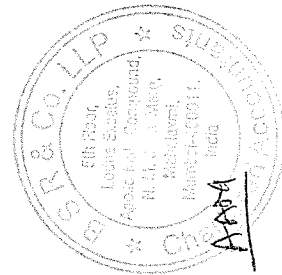
Note 13

Property, plant and equipment

Particulars	Gross Block				Accumulated depreciation			Net Block
	Balance as at April 01, 2018	Additions	Deletions	Balance as at March 31, 2019	Balance as at April 01, 2018	Depreciation for the year	Deletions	Balance as at March 31, 2019
Vehicles	61.74	42.85	9.50	95.09	15.28	18.13	6.65	26.76
Office equipments	1,90.66	0.06	57.56	1,33.16	57.14	49.05	47.66	58.53
Data processing machines	18.08	75.54	-	93.62	4.39	22.21	-	26.60
Total	2,70.48	1,18.45	67.06	3,21.87	76.81	89.39	54.31	1,11.89

Particulars	Gross Block				Accumulated depreciation			Net Block
	Balance as at April 01, 2017	Additions	Deletions	Balance as at March 31, 2018	Balance as at April 01, 2017	Depreciation for the year	Deletions	Balance as at March 31, 2018
Vehicles	41.87	48.61	28.74	61.74	19.42	13.61	17.75	46.46
Office equipments	3,01.32	1,27.86	2,38.52	1,90.66	202.40	46.82	192.08	1,33.52
Data processing machines	2.17	15.91	-	18.08	1.03	3.36	-	13.69
Total	3,45.36	1,92.38	2,67.26	2,70.48	2,22.85	63.79	2,09.83	1,93.67

Particulars	Gross Block				Accumulated depreciation			Net Block
	Balance as at April 01, 2016	Additions	Deletions	Balance as at March 31, 2017	Balance as at April 01, 2016	Depreciation for the year	Deletions	Balance as at March 31, 2017
Vehicles	51.47	22.63	32.23	41.87	31.47	13.14	25.19	22.45
Office equipments	2,86.44	14.88	-	3,01.32	152.09	50.31	-	98.92
Data processing machines	2.17	-	-	2.17	0.34	0.69	-	1.14
Total	3,40.08	37.51	32.23	3,45.36	1,83.90	64.14	25.19	1,22.51



TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of financial statements for the year ended March 31, 2019

Note 13A
Goodwill

Particulars	Balance as at		Impairment/ (charge)	Balance as at	
	April 1, 2018	March 31, 2019		April 1, 2017	March 31, 2017
Goodwill	180,25.25	180,25.25	-	180,25.25	180,25.25
Total	180,25.25	180,25.25	-	180,25.25	180,25.25

As at March 31, 2019, goodwill of ₹ 180,25.25 lakhs has been allocated to the Used Vehicle Business acquired which is the Cash Generating Unit (referred to as "CGU"). The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

As at March 31, 2019, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 13.22%. The cash flows beyond 5 years have been extrapolated assuming 4% - 6% growth rates. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Note 13B
Intangible Assets

Particulars	Gross Block			Accumulated amortisation			Net Block	
	Balance as at April 01, 2018	Additions	Deletions	Balance as at April 01, 2018	Amortisation during the year	Deletions	Balance as at March 31, 2019	Balance as at March 31, 2019
Computer Software	2,25.14	43.60	-	34.76	48.42	-	83.18	1,85.56
Total	2,25.14	43.60	-	34.76	48.42	-	83.18	1,85.56

Particulars	Gross Block			Accumulated amortisation			Net Block	
	Balance as at April 01, 2017	Additions	Deletions	Balance as at April 01, 2017	Amortisation during the year	Deletions	Balance as at March 31, 2018	Balance as at March 31, 2018
Computer Software	-	2,25.14	-	-	34.76	-	34.76	1,90.38
Total	-	2,25.14	-	-	34.76	-	34.76	1,90.38



Note 15
Trade Payables

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Total outstanding dues of creditors other than micro enterprises and small enterprises	28,62.08	24,14.24	23,40.73
Total	28,62.08	24,14.24	23,40.73

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

Note 16
Other Payables

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Total outstanding dues of creditors other than micro enterprises and small enterprises			
- to related parties	425.76	51,23.83	1018,53.03
- to others*	10,28.05	8,96.06	6,06.55
Total	14,53.81	60,19.89	1024,59.58

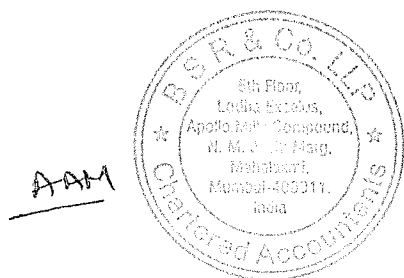
* includes provision of ₹ 49.37 lakhs (₹ 16.34 lakhs as of March 31, 2018 and ₹ 19.14 lakhs as of April 01, 2017) on account of pending litigations.

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

Note 17
Debt securities (at amortised cost)

Particulars	(₹ in lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
i. Privately placed non-convertible debentures (unsecured)	-	499,96.45	999,73.40
ii. Commercial Paper (unsecured) (Net of unamortised borrowing cost including discounting charges ₹ 18,67.41 lakhs; March 31, 2018: 22,10.07 lakhs; April 01, 2017: ₹ 14,31.65 lakhs)	2281,32.59	1692,89.93	1060,68.35
Total (A)	2281,32.59	2192,86.38	2060,41.75
i. Debt securities in India	2281,32.59	2192,86.38	2060,41.75
ii. Debt securities outside India	-	-	-
Total (B)	2281,32.59	2192,86.38	2060,41.75

Terms of repayment of debentures outstanding as at March 31, 2018 and March 31, 2017
Privately placed 9.84% non-convertible debentures (unsecured) - Face value of ₹ 100 Lakhs each (redeemable at par on July 30, 2018).



Note 18

Borrowings (Other than debt securities)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost:			
(a) Term loans from banks#			
- Secured*	1494,26.82	649,02.03	635,03.70
- Unsecured	799,91.35	800,00.00	800,00.00
(b) Inter Corporate Deposits from related parties (unsecured)	220,00.00	-	-
(c) Loans repayable on demand from banks (secured)*	694,89.46	-	-
(d) Cash Credit from banks (secured)*	-	-	87,67.68
Total (A)	3209,07.63	1449,02.03	1522,71.38
i. Borrowings in India	3209,07.63	1449,02.03	1522,71.38
ii. Borrowings outside India	-	-	-
Total (B)	3209,07.63	1449,02.03	1522,71.38

Terms of repayment for term loans :

The term loans from banks are repayable at periodic intervals on a quarterly / half-yearly basis/bullet payment. Repayment tenure of such loans ranges from 2 years to 5 years. Loans are borrowed at a floating rate of interest.

* Nature of security:

All receivables of the Company arising out of loan and trade advances;

All other book debts;

All receivables from pass through certificates, in which the Company has invested; and

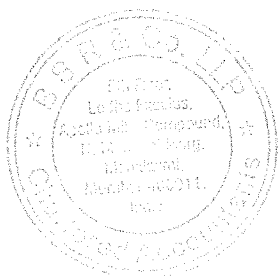
Such other current assets as may be identified by the Company from time to time, and accepted by the relevant Lender / Security Trustee.

Note 19

Subordinated Liabilities (at amortised cost)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Privately placed subordinated unsecured, redeemable, non-convertible debentures	99,75.01	-	-
Total (A)	99,75.01	-	-
i. Debt securities in India	99,75.01	-	-
ii. Debt securities outside India	-	-	-
Total (B)	99,75.01	-	-



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Note 20

Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Interest accrued but not due on borrowings	28.93	26.96	8,36.58
Book overdraft	112,87.20	57,42.14	39,98.51
Others	1,51.05	5.69	0.10
Total	114,67.18	57,74.79	48,35.19

Note 21

Provisions

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for employee benefits	2,31.23	1,78.05	2,67.67
Provision for Indirect Taxes	14.58	14.58	12.56
Provision for consumer disputes	49.37	16.34	19.14
Total	2,95.18	2,08.97	2,99.37

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

(a) Provision for Indirect taxes

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	14.58	12.56
Add : Provision during the year	-	2.02
Less : Utilisation/Reversal during the year	-	-
Closing Balance	14.58	14.58

(b) Provision for consumer disputes

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	16.34	19.14
Add : Provision during the year	40.82	13.99
Less : Utilisation/Reversal during the year	7.79	16.80
Closing Balance	49.37	16.34

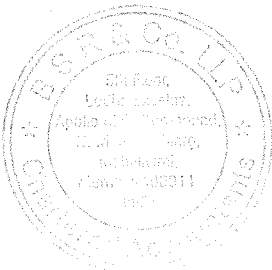
Note 22

Other non-financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Statutory Dues	3,92.75	3,65.72	1,88.25
Others	32,77.82	1628.67	3,18.14
Total	36,70.57	19,94.39	5,06.39

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Note 23

Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
Authorised						
Equity shares of ₹ 100 each	18,00,00,000	1800,00.00	18,00,00,000	1800,00.00	18,00,00,000	1800,00.00
Preference shares of ₹ 100 each (redeemable)	2,00,00,000	200,00.00	2,00,00,000	200,00.00	2,00,00,000	200,00.00
	20,00,00,000	2000,00.00	20,00,00,000	2000,00.00	20,00,00,000	2000,00.00
Issued, Subscribed and Fully Paid up						
Equity Shares of ₹100 each	17,00,49,735	1700,49.74	17,00,49,735	1700,49.74	17,00,49,735	1700,49.74
Total	17,00,49,735	1700,49.74	17,00,49,735	1700,49.74	17,00,49,735	1700,49.74

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

(₹ in Lakhs)

Equity Shares	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
Shares outstanding at the beginning of the year	17,00,49,735	1700,49.74	17,00,49,735	1700,49.74	17,00,49,735	1700,49.74
Shares Issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	17,00,49,735	1700,49.74	17,00,49,735	1700,49.74	17,00,49,735	1700,49.74

b) Details of shares held by holding company

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital
TMF Holdings Limited (formerly known as Tata Motors Finance Limited)	17,00,49,735	100%	17,00,49,735	100%	17,00,49,735	100%

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital	No. of shares	% of Issued Share Capital
TMF Holdings Limited (formerly known as Tata Motors Finance Limited)	17,00,49,735	100%	17,00,49,735	100%	17,00,49,735	100%

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 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.

Note 23A

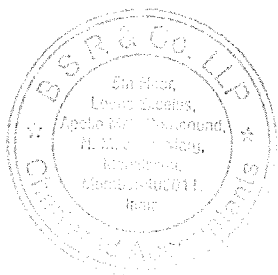
Notes to reserves

a) Special reserve

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

b) Retained earnings

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



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Note 24
Interest Income

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
On Financial Assets measured at Amortised Cost		
Interest on Loans	451,21.20	306,03.83
Interest income from investments	94,60.17	62,25.37
Interest on deposits with Banks	7,95.49	6,64.43
Other interest Income	6,03.89	6,23.82
On Financial Assets measured at Fair Value through Profit & Loss		
Interest income from investments	4,51.94	3,10.97
Total	564,32.69	384,28.42

Note 25
Net gain on fair value changes

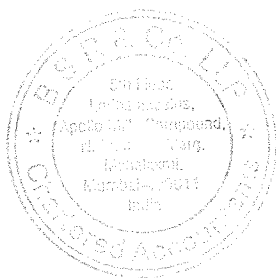
Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss	28,88.33	17,50.73
Total	28,88.33	17,50.73
Fair Value changes:		
- Realised	28,88.33	17,50.73
- Unrealised	-	-
Total	28,88.33	17,50.73

Note 26
Other Income

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Balances Written back	94.56	2,88.38
(Loss) on sale of assets	(9.89)	(46.44)
Miscellaneous Income	1,65.33	6.51
Total	2,50.00	2,48.45

Note 27
Finance costs (on financial liabilities measured at amortised cost)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Borrowings	190,72.76	131,02.62
Interest on Debt Securities	170,69.82	156,97.53
Interest on Subordinated Liabilities	8.78	-
Other Finance Charges	1,46.55	65.86
Total	362,97.91	288,66.01



Note 28

Impairment on financial instruments and other assets

(₹ in lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
a. Impairment on financial assets				
-Allowance for loan losses	(13,87.17)	(13,87.17)	(555,51.55)	37,63.16
Less: Delinquency support	-		593,14.71	
-Finance receivables written off (net of recoveries of ₹81,51.42 lakhs for the year ended March 31, 2019; previous year - Rs 110,22.52 lakhs)	(38,98.90)	(38,98.90)	1983,39.50	(47,64.04)
Less: Delinquency support	-		(2031,03.54)	
-Investments (at amortised cost)			13,74.39	
b. Impairment on non financial assets				
-Provision for doubtful loans and advances (others)		41.86		6.83
Total		(38,69.82)		(4,69.10)

Note 29

Employee Benefits Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Salaries		55,75.91		52,53.09
Contribution to provident and other funds		3,13.93		2,99.13
Staff welfare expenses		1,67.24		1,58.02
Total		60,57.08		57,10.24

Note 30

Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Rent, taxes and energy costs		71.85		26.67
Repairs and maintenance		0.87		2.74
Communication costs		1,18.21		53.76
Printing and stationery		25.80		18.27
Advertisement and publicity		27.44		24.82
Director's fees, allowances and expenses		25.80		33.30
Auditor's fees and expenses (refer note (i) below)		45.29		57.87
Legal and professional charges		13,04.88		19,65.80
Insurance		13.56		11.40
Incentive/commission		9,51.57		4,18.80
Service provider fees		68,10.30		78,88.92
Cenvat credit reversal		10,29.12		10,36.99
Travelling and Conveyance		6,38.31		3,77.14
Others		8,43.61		13,40.19
Total		119,06.61		132,56.67

(i) Auditors' remuneration (excluding Goods and Service Tax):

(₹ in lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
As auditors - statutory audit		37.46		40.74
Taxation matters		-		4.90
For other services		4.00		7.40
Reimbursement of out of pocket expenses		3.83		4.83
Total		45.29		57.87



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Note 31

Earnings per share

Basic and diluted earnings per equity share are computed in accordance with Ind AS 33 – Earnings per share. Basic earnings per equity share are computed by dividing 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	(₹ in lakhs, except per share data)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic		
Weighted average no. of equity shares outstanding	17,00,49,735	17,00,49,735
Net profit attributable to equity share holders	99,43.18	(64,47.79)
Basic earnings per share (₹) (annualised)	5.85	(3.79)
Diluted		
Weighted average no. of equity shares outstanding	17,00,49,735	17,00,49,735
Net profit attributable to equity share holders	99,43.18	(64,47.79)
Diluted earnings per share (₹) (annualised)	5.85	(3.79)
Face value per share (₹)	100	100

Note 32

Segment

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

Note 33

Disclosure in respect of Operating leases

1. Company as lessee- Operating Leases

The Company has recognised lease rent payments made amounting to ₹ 68.21 lakhs (Previous year: ₹ 34.14 lakhs) in the Statement of Profit and Loss under "Other Expenses". The lease agreements is of cancellable nature.

Note 34

Contingent liabilities and commitments

1. Contingent liabilities to the extent not provided for:

Description of claims and assertions where a potential loss is possible, but not probable is reported under note a) below:

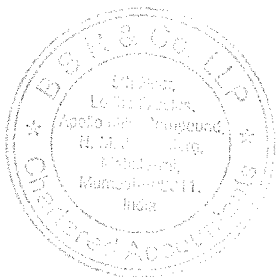
a) Claims against the company not acknowledged as debts:

Particulars	(₹ in Lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
In respect of consumer disputes	4,44.31	1,47.07	1,72.29
Total	4,44.31	1,47.07	1,72.29

2. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 49.98 lakhs (as at March 31, 2018: ₹ 65.93 lakhs and April 01, 2017: ₹ Nil).

b) Loan commitment towards vehicle financing ₹ 2,58.51 lakhs (as at March 31, 2018: ₹ Nil and April 01, 2017: ₹ Nil)



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Note 35

Fair value measurements

(a) Financial instruments by categories

The following table presents the carrying amounts of each category of financial assets and liabilities as at March 31, 2019.

(₹ In Lakhs)				
Financial assets		Amortised cost	FVTPL	Total carrying value
(a)	Investments	1202,71.35	67,50.00	1270,21.35
(b)	Loans	4,65,187.70	-	4651,87.70
(c)	Trade & other receivables	5,54.79	-	5,54.79
(d)	Cash and cash equivalents	502,50.69	-	502,50.69
(e)	Other bank balances	100,00.00	-	100,00.00
(f)	Other financial assets	43,66.42	-	43,66.42
	Total	6506,30.95	67,50.00	6573,80.95

(₹ In Lakhs)			
Financial liabilities		Amortised Cost	Total carrying value
(a)	Borrowings	3209,07.63	3209,07.63
(b)	Debt securities	2281,32.59	2281,32.59
(c)	Trade & other payables	43,15.89	43,15.89
(d)	Subordinated liabilities	99,75.01	99,75.01
(e)	Other financial liabilities	114,67.18	114,67.18
	Total	5747,98.30	5747,98.30

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

(₹ in Lakhs)				
Financial assets		Amortised cost	FVTPL	Total carrying value
(a)	Investments	1113,33.61	67,50.00	1180,83.61
(b)	Loans	2874,77.89	-	2874,77.89
(c)	Trade & other receivables	9,59.32	-	9,59.32
(d)	Cash and cash equivalents	270,46.89	-	270,46.89
(e)	Other bank balances	100,00.00	-	100,00.00
(f)	Other financial assets	80,44.13	-	80,44.13
	Total	4448,61.84	67,50.00	4516,11.84

(₹ In Lakhs)			
Financial liabilities		Amortised Cost	Total carrying value
(a)	Borrowings	1449,02.03	1449,02.03
(b)	Debt securities	2192,86.38	2192,86.38
(c)	Trade & other payables	84,34.13	84,34.13
(d)	Other financial liabilities	57,74.79	57,74.79
	Total	3783,97.33	3783,97.33

The following table presents the carrying amounts of each category of financial assets and liabilities as at April 1, 2017:

(₹ in Lakhs)				
Financial assets		Amortised cost	FVTPL	Total carrying value
(a)	Investments	552,00.42	210,05.56	762,05.98
(b)	Loans	4061,33.39	-	4061,33.39
(c)	Cash and cash equivalents	424,59.77	-	424,59.77
(d)	Other bank balances	100,00.00	-	100,00.00
(e)	Other financial assets	135,32.74	-	135,32.74
	Total	5273,26.32	210,05.56	5483,31.88

(₹ In Lakhs)			
Financial liabilities		Amortised Cost	Total carrying value
(a)	Borrowings	1522,71.38	1522,71.38
(b)	Debt securities	2060,41.75	2060,41.75
(c)	Trade & other payables	1048,00.31	1048,00.31
(d)	Other financial liabilities	48,35.19	48,35.19
	Total	4679,48.63	4679,48.63



Note 35

Fair value measurements

(b) Fair value hierarchy

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

(₹ in Lakhs)

Particulars	As at March 31, 2019					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	67,50.00	67,50.00		67,50.00	-	67,50.00
Total	67,50.00	67,50.00	-	67,50.00	-	67,50.00

(₹ in Lakhs)

Particulars	As at March 31, 2019					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost for which fair value is disclosed						
(a) Loans	4651,87.70	4610,37.25	-	-	4610,37.25	4610,37.25
Total	4651,87.70	4610,37.25	-	-	4610,37.25	4610,37.25
Financial liabilities measured at amortised cost for which fair value is disclosed						
(a) Subordinated liabilities	99,75.01	108,93.07	-	108,93.07	-	108,93.07
Total	99,75.01	108,93.07	-	108,93.07	-	108,93.07

(₹ in Lakhs)

Particulars	As at March 31, 2018					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	67,50.00	67,50.00	-	67,50.00	-	67,50.00
Total	67,50.00	67,50.00	-	67,50.00	-	202,50.00

(₹ in Lakhs)

Particulars	As at March 31, 2018					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost for which fair value is disclosed						
(a) Loans	2874,77.89	2828,11.30	-	-	2828,11.30	2828,11.30
Total	2874,77.89	2828,11.30	-	-	2828,11.30	2828,11.30
Financial liabilities measured at amortised cost for which fair value is disclosed						
(a) Debt securities	499,96.45	503,51.08	-	503,51.08	-	503,51.08
Total	499,96.45	503,51.08	-	503,51.08	-	503,51.08



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Particulars	As at April 1, 2017					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
(a) Investments	210,05.56	-	210,05.56	-	-	210,05.56
Total	210,05.56	-	210,05.56	-	-	210,05.56

Particulars	As at April 1, 2017					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost for which fair value is disclosed						
(a) Loans	4061,33.39	4249,01.73	-	-	4249,01.73	4249,01.73
Total	4061,33.39	4249,01.73	-	-	4249,01.73	4249,01.73
Financial liabilities measured at amortised cost for which fair value is disclosed						
(a) Debt securities	999,73.40	1,02,742.46	-	1027,42.46	-	1027,42.46
Total	999,73.40	1027,42.46	-	1027,42.46	-	1027,42.46

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets and liabilities that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares and mutual fund investments

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e; as prices) or indirectly (i.e; derived from prices). This level of hierarchy include Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy include loans.

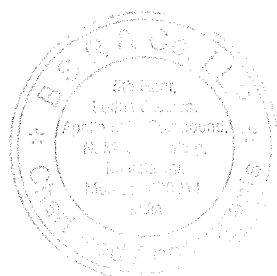
There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2019, 2018 and 2017.

Valuation technique used to determine fair value of financial instruments

- The fair value of loans arising from financing activities has been estimated by discounting expected cash flows using rates at which loans of similar credit quality and maturity would be made and internal assumptions such as expected credit losses and estimated collateral value for repossessed vehicles as at March 31, 2019, 2018 and 2017. Since significant unobservable inputs are applied in measuring the fair value of loans arising from finance activities are
- The fair value of borrowings is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity and credit quality are classified in level 2.
- The fair value of the borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of other financial assets and other financial liabilities other than those disclosed in table above valued at level 2 and level 3 are considered to be the same as their fair values due to the short term maturities of instruments and no material differences in the values.



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Note 36

Financial risk management

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

(A) Credit Risk

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

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

Exposure to Credit Risk

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

Financial assets that are neither past due or impaired

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

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

Investments of surplus funds are made only with internally approved financial institutions/counter party and primarily include investments in mutual funds and None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding the trade receivables and other receivables, and other financial assets that are neither impaired nor past due, there were no indications as at March 31, 2019, that defaults in payment obligations will occur.

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

The carrying amount of loans represent the maximum credit exposure net of provision for impairment. The maximum exposure to credit risk was ₹ 4651,87.70 lakhs as of March 31, 2019 (31 March, 2018 - ₹ 2874,77.89 lakhs and 01 April, 2017 - ₹ 4061,33.39 lakhs)

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

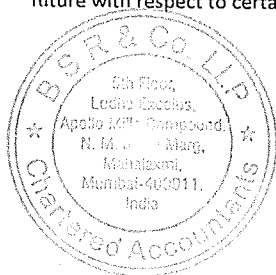
The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterpart limits are established by assigning each counterparty a risk rating. Risk ratings are subject to regular revisions. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective

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

The Company does not have a high concentration of credit risk to a single customer exceeding 10% of Company revenue. Single largest customer have the total exposure in receivables of ₹ 117,52.81 lakhs as of March 31, 2019 (31 March, 2018 - ₹ 118,95.95 lakhs and April 01, 2017 - ₹ 123,60.53 lakhs).

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

The Company makes allowances for losses on its portfolio of loans on the basis of expected future collection from receivables. The future collection are estimated on the basis of past collection trend which are adjusted for changes in current circumstances as well as expected changes in collection on account of future with respect to certain macro economic factors.



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

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

(₹ in Lakhs)

Loans	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Gross carrying amount	Impairment allowance	Net amount	Gross carrying amount	Impairment allowance	Net amount	Gross carrying amount	Impairment allowance	Net amount
Current (not past due)	4183,29.05	85,61.60	4097,67.45	2503,03.82	84,89.59	2418,14.23	1543,21.54	69,73.00	1473,48.54
01-30 days past due*	371,10.48	5,66.78	365,43.70	367,73.77	9,95.96	357,77.81	151,53.05	4,69.67	146,83.38
31-90 days past due*	158,53.87	9,51.67	149,02.20	81,44.49	6,67.26	74,77.23	90,58.84	17,46.91	73,11.93
above 90 days past due*	55,25.82	15,51.47	39,74.35	52,74.49	28,65.87	24,08.62	2369,30.75	1,41.21	2367,89.54
Total	4768,19.22	116,31.52	4651,87.70	3004,96.57	130,18.68	2874,77.89	4154,64.18	93,30.79	4061,33.39

*Includes future principal installments which are not past due aggregating to ₹ 528,51.36 lakhs as of March 31, 2019 (March 31, 2018 ₹ 452,17.44 lakhs; April 01, 2017 ₹ 511,11.77 lakhs).

Changes in the allowance for credit losses in loans are as follows:

(₹ in Lakhs)

	For the year ended March 31	
	2019	2018
Balance at the beginning	130,18.68	93,30.79
Impairment loss recognised/(reversed)	23,14.75	38,07.99
Amounts written off	(37,01.91)	(1,20.10)
Balance at the end	116,31.52	130,18.68

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

(₹ in Lakhs)

loans	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Gross carrying amount	Impairment allowance	Net amount	Gross carrying amount	Impairment allowance	Net amount	Gross carrying amount	Impairment allowance	Net amount
Current (not past due)	1174,48.28	22,22.57	1152,25.71	947,25.68	2,91.34	944,34.34	536,37.91	1,69.02	534,68.89
01-30 days past due	45,58.12	64.19	44,93.93	167,89.99	4,82.90	163,07.09	18,55.39	2,86.24	15,69.15
31-90 days past due	5,17.26	96.90	4,20.36	5,13.12	1,16.25	3,96.87	1,11.00	62.16	48.84
above 90 days past due	3,75.29	2,43.94	1,31.35	5,58.04	3,62.73	1,95.31	3,24.39	2,10.85	1,13.54
Total	1228,98.95	26,27.60	1202,71.35	1125,86.83	12,53.22	1113,33.61	559,28.69	7,28.27	552,00.42

Changes in the allowance for credit losses in investments are as follows:

(₹ in Lakhs)

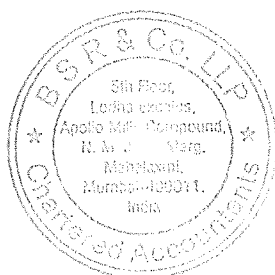
	For the year ended March 31	
	2019	2018
Balance at the beginning	12,53.22	7,28.27
Impairment loss recognised/(reversed)	19,24.99	8,38.93
Amounts written off	(5,50.61)	(3,13.98)
Balance at the end	26,27.60	12,53.22

(B) Management of Liquidity risk

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

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

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



The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2019:

	(₹ in Lakhs)					
	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cashflows
Non derivatives						
Borrowings	3209,07.63	1590,37.82	853,68.60	1252,32.98	-	3696,39.40
Trade & other payables	43,15.89	43,15.89	-	-	-	43,15.89
Debt securities	2281,32.59	2281,32.59	-	-	-	2281,32.59
Subordinated liabilities	99,75.01	10,70.00	10,70.00	32,10.00	110,70.00	164,20.00
Other financial liabilities	114,67.18	114,67.18	-	-	-	114,67.18
Total	5747,98.30	4040,23.48	864,38.60	1284,42.98	110,70.00	6299,75.06

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

	(₹ in Lakhs)					
	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cashflows
Non derivatives						
Borrowings	1449,02.03	205,62.90	552,73.42	1010,04.88	-	1768,41.20
Trade & other payables	84,34.13	84,34.13	-	-	-	84,34.13
Debt securities	2192,86.38	2231,30.81	-	-	-	2231,30.81
Other financial liabilities	57,74.79	57,74.79	-	-	-	57,74.79
Total	3783,97.33	2579,02.63	552,73.42	1010,04.88	-	4141,80.93

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at April 1, 2017:

	(₹ in Lakhs)					
	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total contractual cashflows
Non derivatives						
Borrowings	1522,71.38	230,07.69	397,31.10	1300,32.86	25,00.00	1,95,271.64
Trade & other payables	1048,00.31	1048,00.31	-	-	-	1,04,800.31
Debt securities	2060,41.75	1671,27.02	516,30.81	-	-	2,18,757.83
Other financial liabilities	48,35.19	48,35.19	-	-	-	4,835.19
Total	4679,48.63	2997,70.21	913,61.91	1300,32.86	25,00.00	5,23,664.98

(C) Management of Market Risk

Market risk comprises of interest rate risk. Interest rate risk arises from variable rate borrowings that expose the Company's financial performance, financial position and cash flows to the movement in market rates of interest.

Foreign currency risk

The Company is not exposed to foreign currency exchange risk as all the financial instruments are denominated in the functional currency of the company.



Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's borrowings with floating/variable interest rates.

The Company borrow through various instruments which has floating rate/ interest rate reset clause which is exposed to interest rate risk.

As at the end of reporting period, the Company had following variable interest rate borrowings:

(₹ in Lakhs)			
	As at March 31 2019	As at March 31 2018	As at April 1, 2017
Variable rate borrowings	2989,89.46	1450,00.00	1437,50.00

Interest rate sensitivity analysis

Profit or loss is sensitive to interest expense from variable rate borrowings as a result of changes in interest rate. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact (decrease/increase in case of profit/(loss) before tax of ₹ 29,89.89 lakhs and ₹ 14,50.00 lakhs on income for the year ended March 31, 2019 and 2018 respectively.

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

Capital management

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

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

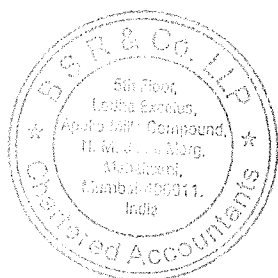
The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future periods. Refer the below note for dividend declared and paid.

Total debt includes all long and short-term borrowings as disclosed in notes 16 to 18 to the financial statements.

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

Particulars	As at March 31, 2019	As at March 31, 2018
CRAR (%)	17.93%	20.87%
CRAR - Tier I capital (%)	15.05%	19.62%
CRAR - Tier II capital (%)	2.88%	1.25%

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



Note 37

Employee benefit obligations

a) Defined contribution plans

The Company has defined contribution plan in the form of contributions made to provident fund and superannuation funds for the qualifying employees. The expense recognised during the year in the Statement of Profit and Loss towards defined contribution plan is ₹ 2,05.24 lakhs (Previous year's ₹ 1,96.06 lakhs)

b) Defined benefit plans

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

a) Changes in defined benefit obligations	(₹ in lakhs)	
	As at March 31	
	2019	2018
Defined benefit obligation, beginning of the year	7,30.97	4,34.32
Current service cost	1,00.45	86.71
Interest cost	54.02	32.57
Remeasurement (gains) / losses		
Actuarial (gain) / losses arising from change in financial assumptions	(44.72)	(56.71)
Actuarial (gain) / losses arising from change in demographic assumptions	(26.07)	(68.50)
Actuarial (gain) / losses arising from change in experience adjustments	45.02	27.35
Past service cost	-	-
Transfer between Subsidiaries	(48.34)	2,75.23
Benefits paid from plan assets	(58.71)	-
Benefits paid directly by the employer	-	-
Defined benefit obligation, end of the year	7,52.62	7,30.97

b) Changes in plan assets	(₹ in lakhs)	
	As at March 31	
	2019	2018
Fair value of plan assets, beginning of the year	7,34.88	2,87.59
Interest cost	54.33	26.84
Remeasurement (gains) / losses		
Return on plan assets, (excluding amount included in net interest expense)	25.71	4.75
Transfer in/(out) of assets	(48.34)	2,75.23
Employer's contribution	-	1,40.47
Benefits paid	(58.71)	-
Fair value of plan assets, end of the year	7,07.87	7,34.88

c) Amount recognised in balance sheet consist off.	(₹ in lakhs)	
	As at March 31	
	2019	2018
Present value of defined benefit obligation	7,52.62	7,30.97
Fair value of plan assets	(7,07.87)	(7,34.88)
Net Liability / (Assets)	44.75	(3.91)

d) Amount recognised in the Statement of Profit and Loss:	(₹ in lakhs)	
	As at March 31	
	2019	2018
Current Service Cost	1,00.45	86.71
Interest on Defined Benefit Obligations (Net)	(0.31)	5.73
Net Charge to the Statement of Profit and Loss	1,00.14	92.44

e) Amount recognised in Other Comprehensive Income(OCI) for the Year:	(₹ in lakhs)	
	As at March 31	
	2019	2018
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest (expense)/income	25.71	4.75
Actuarial gains/(losses) arising from changes in demographic assumptions	26.07	68.50
Actuarial gains/(losses) arising from changes in financial assumptions	44.72	56.71
Actuarial gains/(losses) arising from changes in experience adjustments on plan liabilities	(45.02)	(27.35)
Net impact on the other comprehensive income before tax	51.48	1,02.61



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

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

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

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

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

(₹ in lakhs)		
h) The maturity profile of defined benefit obligation are set out below:	As at March 31, 2019	As at March 31, 2018
Within next 12 months (next annual reporting)	50.99	29.59
Between 1 and 5 years	2,88.70	1,73.04
Between 5 and 9 years	6,91.40	4,73.38
10 years and above	-	-

(₹ in lakhs)		
i) Quantitative sensitivity analysis for significant assumptions:	As at March 31, 2019	As at March 31, 2018
100 bps increase in discount rate	(57.88)	(72.39)
100 bps decrease in discount rate	65.51	83.67
100 bps increase in salary escalation rate	64.77	82.26
100 bps decrease in salary escalation rate	(58.31)	(72.56)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur,

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

j) Weighted Average Duration of Defined Benefit obligation:	As at March 31, 2019	As at March 31, 2018
The weighted average duration of the defined benefit obligation	8.48 years	10.58 years

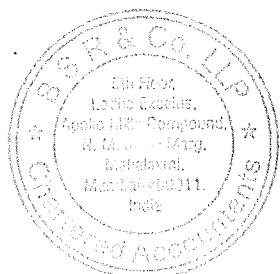
(₹ in lakhs)	
k) The best estimate of the expected Contribution for the next year:	As at March 31, 2019
The Company expected contribution to the funded gratuity plans in FY 2019-20.	50.99

l) Risk Exposure

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

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

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



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Note 38

Related party Disclosures

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

A. Parties where the control exists:

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

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

(i) Fellow subsidiaries within the Group

- Tata Motors Finance Limited (formerly known as Sheba Properties Limited)
- Tata Technologies Limited
- Concorde Motors (India) Limited
- TML Distribution Company Limited

(ii) Key management personnel

- Mr. Vinesh Kumar Jairath - Independent Director
- Ms. Vedika Bhandarkar - Independent Director
- Mr. R. T. Wasan - Non-Executive Director
- Mr. P. B. Balaji - Non-Executive Director
- Mr. Shyam Mani - Non Executive Director
- Mr. Amit Mittal - Chief Financial Officer (upto May 2, 2018)
- Mr. Rohit Sarma - Chief Financial Officer (w.e.f. May 3, 2018)

(iii) Post Employment Benefit Plans:

- Tata Motors Finance Limited Employees Gratuity Scheme

2 Transactions with related parties:

(a) Tata Motors Limited - Ultimate Holding Company:

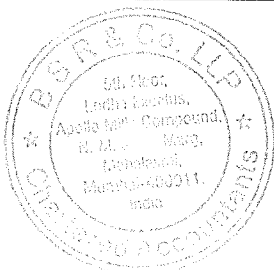
(₹ in lakhs)			
Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Inter Company Deposits Placed	150,00.00	-
2	Inter Company Deposits refund received	150,00.00	-
3	Processing Fees Received	93.56	-
4	Cross charges	3.35	-
5	Interest expense on Inter Company Deposits placed	3.08	-
6	Delinquency support income	-	1415,29.59
7	Interest cost recovery on over due principal of MGB income	-	48,75.79
8	NCD NPA claim	-	3,70.41
9	Deputation of employees expenses	-	2.46

(₹ in lakhs)				
Sr. No.	Closing balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
1	Net payable	-	46,29.59	476,05.30
2	Net receivables	20.51	-	-

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

(₹ in lakhs)			
Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Inter company deposits placed	1181,00.00	520,00.00
2	Inter company deposits refund received	1181,00.00	520,00.00
3	Inter Corporate Deposits accepted	1460,00.00	-
4	Inter Corporate Deposits repaid	1240,00.00	-
5	Unsecured Tier II Debenture	100,00.00	-
6	Interest expenses on Inter company deposits	3,40.29	-
7	Reimbursement of other expenses paid	1,41.52	91.98
8	Interest income on Inter company deposits	86.71	2,09.81
9	Rent expenses	80.49	40.24
10	Interest expense on Unsecured Tier II Debenture	8.77	-
11	Sale of TML Receivables	-	1540,66.05

(₹ in lakhs)				
Sr. No.	Closing balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
1	Net payable	220,08.74	-	268,78.65
2	Net receivables	-	10.50	-
3	Unsecured Tier II debenture- payable	100,00.00	-	-



Note 38

Related party Disclosures

(c) Tata Motors Finance Limited (formerly known as Sheba Properties Limited) - Fellow Subsidiary:

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Inter Company Deposits Placed	2570,00.00	1064,00.00
2	Inter Company Deposits refund received	2570,00.00	1064,00.00
3	Service provider Fees expense	22,10.05	22,85.52
4	Interest income on Inter Company Deposits	5,14.10	4,14.02
5	Dividend received on equity shares	2,78.40	1,85.48
6	Reimbursement of other expenses paid	1,08.41	1,75.14
7	Reimbursement of refurbishment expenses	-	4.09
8	Purchase of Assignment portfolio	-	557,17.21

(₹ in lakhs)

Sr. No.	Closing balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
1	Net payables	-	-	3,86.25
2	Net receivables	4,81.34	5,78.41	-

(d) Concorde Motors (India) Limited - Subsidiaries and associates of ultimate holding company:

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Channel finance given	254,16.76	257,00.33
2	Channel finance repayment	246,31.59	246,89.96
3	Interest income on channel financing	1,91.83	1,12.14

(₹ in lakhs)

Sr. No.	Closing balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
1	Net receivables	23,79.34	15,94.16	5,96.67

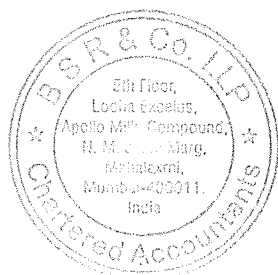
(e) Tata Technologies Limited - Subsidiaries and associates of ultimate holding company:

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	IT services expenses	53.32	83.61

(₹ in lakhs)

Sr. No.	Closing balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
1	Net payables	10.78	6.01	-



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Note 38

Related party Disclosures

(f) TML Distribution Company Limited - Subsidiaries and associates of ultimate holding company:

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Processing fees received	15.69	-

(₹ in lakhs)

Sr. No.	Closing balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
1	Net receivable	-	-	-

(g) Key management personnel remuneration

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Short term employee benefits*	40.34	1,29.87

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

(h) Tata Motors Finance Limited Employees Gratuity Scheme

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Gratuity contributions made	-	1,40.47
2	Recovery of gratuity paid to employees	60.44	0.87

(₹ in lakhs)

Sr. No.	Closing balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
1	Net Payable	2.15	-	1,46.73
2	Net Receivable	-	4.78	-

Terms and Conditions of Transaction with Related Parties:

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

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



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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of financial statements for the year ended March 31, 2019

Note 39

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

Additional disclosures of current and comparative years given below are based on Ind AS. We have made separate disclosures as per RBI regulations wherever the same differs from Ind AS.

39A. Asset Liability Maturity Pattern of certain items of assets and liabilities

S. No.	Particulars	Period	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 month & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total	₹ in lakhs)	
1	Deposits	March 31, 2019 March 31, 2018	- 35,00.00	- -	- -	- -	100,00.00 100,00.00	- -	- -	- -	100,00.00 135,00.00		
2	Advances	March 31, 2019 March 31, 2018	461,20.68 376,71.26	898,06.87 471,87.66	220,27.85 187,73.33	402,16.53 310,20.92	783,72.13 542,36.36	1728,20.97 905,71.00	127,00.17 28,44.63	31,22.01 51,72.74	4651,87.21 2874,77.90		
3	Investments	March 31, 2019 March 31, 2018	208,80.70 199,17.09	250,15.73 733,05.92	600,86.45 72,75.12	- 83,85.05	1,66.08 1,78.21	68,16.67 68,33.12	18,05.72 18,17.59	227,50.00 108,71.51	1375,21.35 1285,83.61		
4	Borrowings from banks / financial institutions (Term-loans / Cash credit)	March 31, 2019 March 31, 2018	- -	70,08.00 25,00.00	- -	167,50.00 -	1035,02.20 55,00.00	1291,64.00 1035,02.00	538,69.00 334,98.00	- 100,00.00	3102,93.20 1450,00.00		
5	Market borrowings (Privately placed non convertible debentures and gross commercial papers) [Refer: Note 2 below]	March 31, 2019 March 31, 2018	1000,00.00 -	800,00.00 900,00.00	500,00.00 815,00.00	- -	- -	- -	- -	- -	2400,00.00 2215,00.00		

Notes:

- 1 Includes commercial papers which are considered at gross of unamortised discounting charges.
- 2 Figures in italics pertain to previous year.

39B. Capital to Risk Assets Ratio (CRAR)

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

S.No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	CRAR (%)	17.93%	20.87%
2	CRAR - Tier I capital (%)	15.05%	19.62%
3	CRAR - Tier II capital (%)	2.88%	1.25%
4	Amount of subordinated debt raised as Tier-II capital	100,00.00	-
5	Amount raised by issue of Perpetual Debt Instruments	-	-

CRAR as reported to RBI for comparative years are as below :-
March 31, 2018 : Tier I - 21.67%, Tier II - 0.38%, Total CRAR - 22.05%
March 31, 2017 : Tier I - 22.39%, Tier II - 0.22%, Total CRAR - 22.61%



Note 39

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

39C. Disclosure of restructured advances

(₹ in lakhs)

Sr. No.	Type of Restructuring => Asset Classification =>		Others				Total
			Standard	Sub-standard	Doubtful	Loss	
1	Restructured accounts as on April 1, 2018 [opening figures]	No. of Borrowers	-	-	15.00	-	15.00
		Amount Outstanding	-	-	49.01	-	49.01
		Provision Amount	-	-	3.44	-	3.44
2	Fresh restructuring during the year 2018 - 2019	No. of Borrowers	-	1.00	-	-	1.00
		Amount Outstanding	-	15.97	-	-	15.97
		Provision Amount	-	0.90	-	-	0.90
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	-	2.00	-	2.00
		Amount Outstanding	-	-	39.21	-	39.21
		Provision Amount	-	-	1.30	-	1.30
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
5	Down gradations of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	-	4.00	-	4.00
		Amount Outstanding	-	-	1.29	-	1.29
		Provision Amount	-	-	0.71	-	0.71
7	Recovery from restructured accounts during the financial year	No. of Borrowers	-	-	7.00	-	7.00
		Amount Outstanding	-	-	8.50	-	8.50
		Provision Amount	-	-	1.42	-	1.42
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2019 [closing figures]	No. of Borrowers	-	1.00	2.00	-	3.00
		Amount Outstanding	-	15.97	0.01	-	15.98
		Provision Amount	-	0.90	0.01	-	0.91

For the previous year i.e. financial year 2017-18

(₹ in lakhs)

Sr. No.	Type of Restructuring => Asset Classification =>		Others				Total
			Standard	Sub-standard	Doubtful	Loss	
1	Restructured accounts as on April 1, 2017 [opening figures]	No. of Borrowers	-	50.00	4,30.00	-	4,80.00
		Amount Outstanding	-	1,76.85	12,05.43	-	13,82.28
		Provision Amount	-	18.45	6,11.82	-	6,30.27
2	Fresh restructuring during the year 2017 - 2018	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	(4.00)	(1.00)	-	(5.00)
		Amount Outstanding	-	(49.89)	(3.05)	-	(52.94)
		Provision Amount	-	(1.03)	(0.87)	-	(1.91)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
5	Down gradations of restructured accounts during the financial year	No. of Borrowers	-	(9.00)	9.00	-	-
		Amount Outstanding	-	(77.00)	47.78	-	(29.22)
		Provision Amount	-	(4.11)	2.81	-	(1.30)
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	(13.00)	(3,09.00)	-	(3,22.00)
		Amount Outstanding	-	(24.17)	(9,32.02)	-	(9,56.19)
		Provision Amount	-	(7.78)	(4,77.90)	-	(4,85.67)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	-	(24.00)	(1,14.00)	-	(1,38.00)
		Amount Outstanding	-	(25.79)	(2,69.13)	-	(2,94.92)
		Provision Amount	-	(5.53)	(1,32.42)	-	(137.95)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision Amount	-	-	-	-	-
9	Restructured accounts as on March 31, 2018 [closing figures]	No. of Borrowers	-	-	15.00	-	15.00
		Amount Outstanding	-	-	49.01	-	49.01
		Provision Amount	-	-	3.44	-	3.44

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

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Note 39

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

39D. Break up of 'Provisions and Contingencies' shown under the head 'Expenditure' in the Statement of Profit and Loss

(₹ in lakhs)

S. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Provision for diminution in the value of investment	1,374.39	524.95
2	Provision for doubtful finance receivables	(13,87.17)	(555,51.55)
	Add / (Less): Delinquency support	- (13,87.17)	593,14.71
3	Provision made towards income tax	-	-
3	Provision on consumer disputes	33.03	(2.80)
4	Provision for doubtful loans and advances (others)	41.86	6.83

39E. Investments

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Value of investments		
(i)	Gross value of investments		
(a)	In India	1401,48.95	1298,36.83
(b)	Outside India	-	-
(ii)	Provision for depreciation		
(a)	In India	26,27.60	1,253.22
(b)	Outside India	-	-
(iii)	Net value of investments		
(a)	In India	1375,21.35	1285,83.61
(b)	Outside India	-	-
2	Movement of provisions held towards depreciation of investments		
(i)	Opening balance	12,53.22	7,28.27
(ii)	Add: Provisions made during the year	19,24.99	5,24.95
(iii)	Less: Utilised	5,50.61	-
(iv)	Closing balance	26,27.60	12,53.22

39F. Ratings assigned by credit rating agencies and migrations of ratings in respect of all credit facilities and debt instruments during the year:

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

39G. Concentration of advances

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total advances to twenty largest borrowers / customer	1203,63.48	779,48.20
2	Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	19.85%	18.57%

39H. Concentration of exposures

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total exposure to twenty largest borrowers / customer	1203,63.48	779,48.20
2	Percentage of exposures to twenty largest borrowers / customer to total exposure of the NBFC on borrowers / customer	19.85%	18.57%



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Note 39

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

39I. Concentration of NPAs

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total exposure to top four NPA accounts	16,04.61	31,68.10

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

39J. Sector-wise NPAs (Percentage of NPAs to total advances in that sector)

S. No.	Sector	As at March 31, 2019	As at March 31, 2018
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	0.56%	1.57%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	1.27%	1.22%
7	Other personal loans	-	-

Percentage of Gross NPA to total advances as reported to RBI for comparative years are as below :-

Corporate borrowers: March 31, 2018 : 1.49%, March 31, 2017 : Nil

Auto loans: March 31, 2018 : 1.24%, March 31, 2017 : 47.20%

39K. Customer complaints

(Numbers)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	No of complaints pending at the beginning of the year	42	11
2	No of complaints received during the year	640	608
3	No of complaints redressed during the year	623	577
4	No of complaints pending at the end of the year	59	42

39L. Movement of NPAs

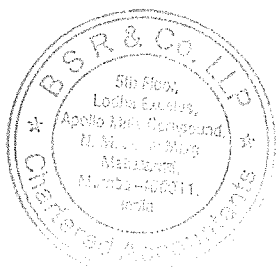
(₹ in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Net NPAs to net advances	0.68%	0.63%
2	Movement of NPAs (Gross)		
(i)	Opening balances	58,32.53	2372,55.13
(ii)	Additions during the year	47,93.16	56,49.61
(iii)	Reductions during the year	47,24.58	2370,72.21
(iv)	Closing balances	59,01.11	58,32.53
3	Movement of Net NPAs		
(i)	Opening balances	26,03.93	2369,03.07
(ii)	Additions during the year	25,16.74	23,91.89
(iii)	Reductions during the year	10,14.97	2366,91.03
(iv)	Closing balances	41,05.70	26,03.93
4	Movement of provisions for NPAs (excluding provisions on standard assets)		
(i)	Opening balances	32,28.59	3,52.06
(ii)	Provisions made during the year	22,76.42	32,57.71
(iii)	Write back of excess provisions	37,09.60	3,81.18
(iv)	Closing balances	17,95.41	32,28.59

Gross NPA and percentage of Net NPAs to net advances as reported to RBI for comparative years are as below :-

Gross NPA : March 31, 2018 : ₹ 57,26.43 lakhs, March 31, 2017 : ₹ 2212,65.05 lakhs

Net NPAs to net advances : March 31, 2018 : 0.84%



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Note 39

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

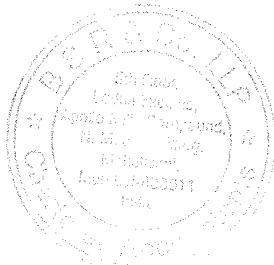
39M. Capital Market

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	307,50.00	172,50.00
2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of	-	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
6	Loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
7	Bridge loans to companies against expected equity flows / issues;	-	-
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
9	Financing to stockbrokers for margin trading;	-	-
10	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total capital market exposure	307,50.00	172,50.00

39N. Other disclosures

- 1 No penalties were imposed by RBI and other regulators during the financial year 2018-19. (financial year 2017-18: Nil and financial year 2016-17: Nil)
- 2 The Company has not assigned any loans during the financial year 2018-19. (financial year 2017-18: Nil and financial year 2016-17: Nil)
- 3 The Company has not purchased any non-performing financial assets during the financial year 2018-19. (financial year 2017-18: Nil and financial year 2016-17: Nil)
- 4 The Company does not have any exposure in real estate sector during the financial year 2018-19. (financial year 2017-18: Nil and financial year 2016-17: Nil)
- 5 The Company has not exceeded the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2018-19. (financial year 2017-18: Nil and financial year 2016-17: Nil)
- 6 The Company is only registered with Reserve Bank of India as a Systemically Important Non Deposit Taking Non Banking Financial Company.
- 7 The Company has not entered in to any derivative contracts during the financial year 2018-19 or holds any exposure in respect of derivative transactions as on March 31, 2019. (financial year 2017-18: Nil and financial year 2016-17: Nil)
- 8 The Company has not entered in to any securitisation transactions during the financial year 2018-19 or holds any securitisation exposure as on March 31, 2019. (financial year 2017-18: Nil and financial year 2016-17: Nil)
- 9 The Company has not drawn down any amounts from the reserves during the financial year 2018-19 except as disclosed in Statement of Changes in Equity. (financial year 2017-18: Nil and financial year 2016-17: Nil)
- 10 The Company has not sold any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year 2018-19. (financial year 2017-18: Nil and financial year 2016-17: Nil)
- 11 The Company has not financed any products of parent company during the financial year 2018-19. (financial year 2017-18: Nil and financial year 2016-17: Nil)



AAA

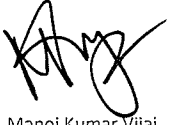
Note 40

Fraud

As required by Reserve Bank of India circular No RBI/2011-12/424 DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 on monitoring of frauds, the Company has reported fraud amounting to ₹ 10.54 lakhs during the year ended March 31, 2019 (during the year ended March 31, 2018: ₹ 1,59.24 lakhs and April 01, 2017 : ₹28.35 lakhs) vide form FMR 1.

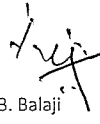
As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors



Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date: May 6, 2019



P. B. Balaji
Chairman
(DIN - 02762983)



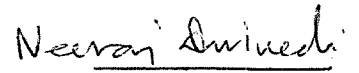
Shyam Mani
Director
(DIN - 00273598)



Vinesh Jairath
Director
(DIN - 00391684)



Rohit Sarda
Chief Financial Officer
Place: Mumbai
Date: May 6, 2019



Neeraj Dwivedi
Company Secretary



Disclosure as per Annexure I of the Non Banking Financial Companies - Systematically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (as amended)

LIABILITIES SIDE:

			(₹ in lakhs)	
1	Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue	
(i)	Debentures			
	Secured	-		-
	Unsecured	99,82.90		-
(ii)	Term-loans	2294,39.21		-
(iii)	Commercial papers	2281,32.59		-
(iv)	Other loans			
	Working capital demand loan	694,89.46		-
	Inter-corporate loans and borrowings	220,00.00		-

Note: Commercial papers of ₹ 2281,32.59 lakhs are net of unamortised discounting charges ₹ 18,67.41 lakhs.

ASSETS SIDE:

			(₹ in lakhs)	
2	Break-up of loans and advances including bills receivables [other than those included in (4) below]:	Amount Outstanding		
(i)	Secured			-
(ii)	Unsecured			-

			(₹ in lakhs)	
3	Break up of leased assets and stock on hire and other assets towards AFC activities:	Amount Outstanding		
(i)	Lease assets including lease rentals under sundry debtors :			
	Financial lease			-
	Operating lease			-
(ii)	Stock on hire including hire charges under sundry debtors :			
	Assets on hire			-
	Repossessed assets			-
(iii)	Other loans counting towards AFC activities:			
	Loans where assets have been repossessed			2,16.61
	Loans other than (a) above			4766,02.61

			(₹ in lakhs)	
4	Break-up of investments:	Amount Outstanding		
	Current (unquoted)			
	Senior pass through certificates			1058,71.90
	Investments in debentures and bonds			2,77.05
	Long-term investments (unquoted)			
	Investments in equity shares			105,00.00
	Investments in debentures and bonds			235,00.00



Disclosure as per Annexure I of the Non Banking Financial Companies - Systematically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (as amended)

ASSETS SIDE:

(₹ in lakhs)

5 Borrower group-wise classification of assets financed as in (2) and (3) above :				
	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	Fellow subsidiaries	-	23,79.34	23,79.34
(ii)	Other than related parties	4201,26.99	543,12.89	4744,39.88
	Total	4201,26.99	566,92.23	4768,19.22

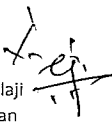
(₹ in lakhs)


6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
	Category	Cost as at March 31,	Book value
		2019	(Net of provision)
(i)	Related parties		
	Quoted	-	-
	Unquoted		
	Fellow subsidiaries	105,00.00	105,00.00
(ii)	Other than related parties		
	Quoted	-	-
	Unquoted	1296,48.95	1270,21.35
	Total	1401,48.95	1375,21.35

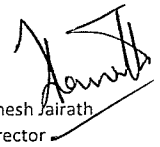
(₹ in lakhs)


7 Other information		
	Particulars	Amount
(i)	Gross non-performing assets	
	Related parties	-
	Other than related parties	58,44.48
(ii)	Net non-performing assets	
	Related parties	-
	Other than related parties	39,48.14
(iii)	Assets acquired in satisfaction of debt	-

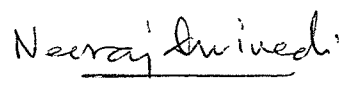
For and on behalf of the Board of Directors:


 P. B. Balaji
 Chairman
 (DIN - 02762983)


 Shyam Mani
 Director
 (DIN - 00273598)


 Vinesh Jairath
 Director
 (DIN - 00391684)


 Rohit Sarada
 Chief Financial Officer


 Neeraj Dwivedi
 Company Secretary

Place: Mumbai
 Date: May 6, 2019