



**TATA MOTORS FINANCE LIMITED**

**FORM NO PAS-4  
PRIVATE PLACEMENT OFFER LETTER  
[Pursuant to section 42 and rule 14(1) of Companies (Prospectus and Allotment of  
Securities) Rules, 2014]**

**THIS PAS 4 shall form an integral part of the Disclosure Documents and each of the Transaction Documents and shall be read along with each of the aforesaid documents and shall bind the Company, the Debenture Trustee and the Debenture Holders.**

**1. GENERAL INFORMATION**

- a. Name, address, website and other contact details of Tata Motors Finance Limited and its subsidiaries indicating both registered office and corporate office:**

**Tata Motors Finance Limited**  
(Formerly known as Sheba Properties Limited)  
(Under the Companies Act, 1956)

**Registered Office:**

10th Floor, 106, Maker Chambers III,  
Nariman Point, Mumbai 400021.  
Board Line- 022-61729600  
Website: [www.tmf.co.in](http://www.tmf.co.in)

**Corporate Office:**

Building 'A', Second Floor,  
Lodha I Think Techno Campus, Off. Pokharan Road No. 2,  
Thane(W)- 400607  
Phone: (022) 61815400, Fax: (022) 61815817  
Website: [www.tmf.co.in](http://www.tmf.co.in)

**Information on Subsidiary:**

- b. Date of incorporation of TMFL:**

Date of Incorporation- January 24, 1989

- c. Business carried on by TMFL and its subsidiaries with the details of branches or units, if any :**

TMFL has an objective of becoming the preferred financier for Tata Motors Limited's customers and channel partners by capturing customer spending over the vehicle life-cycle, by extending value added products combining financing offerings with insurance and other products over a period of time.

TMFL has received RBI license for carrying on its business as a NBFC non-deposit taking systemically important (ND-SI) Asset Finance Company and has commenced its new vehicle financing business from May 09, 2017

### ***Business Model***

**TMFL** provides finance for Tata Motors vehicles in the following business verticals:

#### **1 New Vehicles Finance Business:**

**Commercial Vehicles** – TMFL finances entire range of Commercial vehicles to transporters, fleet owners, First Time users,

**Passenger Cars** - TMFL finances multi utility vehicles (Safari/ Sumo/ Hexa) and passenger cars (Indica/ Indigo/ Nano/Zest, Bolt, Tiago, Nexon, Tigor) mainly in the personal use segment and commercial taxi operators.

**2. Insurance Support Services:** TMFL helps its customers to have vehicles' insurance

#### **Details of Promoter and Subsidiary**

**Promoters** – Tata Motors Finance Limited (Formerly known as Sheba Properties Limited) (TMFL) is a company promoted by TMF Holdings Limited (Formerly Tata Motors Finance Limited) (TMFHL) along with Tata Motors Finance Solutions Limited (TMFSL).

**Tata Group:** TMFL is part of Tata Group founded by Jamsetji Tata in 1868. The Tata group is a global enterprise, headquartered in India, comprising over 100 independent operating companies. The group operates in more than 100 countries across six continents, with a mission 'To improve the quality of life of the communities we serve globally, through long-term stakeholder value creation based on Leadership with Trust'. In 2016-17, the revenue of Tata companies, taken together, was \$100.39 billion. These companies collectively employ over 695,000 people. There are 29 publicly-listed Tata enterprises with a combined market capitalization of about \$130.13 billion (as on March 31, 2017).

#### **Tata Motors Limited:**

Tata Motors Limited, a USD 42 billion organization, is a leading global automobile manufacturer with a portfolio that covers a wide range of cars, sports vehicles, buses, trucks and defence vehicles. Tata Motors is part of the USD 100 billion Tata group founded by Jamsetji Tata in 1868. Tata Motors is India's largest automobile company. Through subsidiaries and associate companies, Tata Motors has operations in the UK, South Korea,

Thailand, Spain, South Africa and Indonesia. Among them is Jaguar Land Rover, the business comprising the two iconic British brands.

Tata Motors is the country's market leader in commercial vehicles and among the top three in passenger vehicles. It is also the world's fifth-largest truck and fourth-largest bus manufacturer. Tata Motors commercial and passenger vehicles are being marketed in several countries in Europe, Africa, the Middle East, South Asia, South East Asia, South America, CIS and Russia. It has franchisee / joint venture assembly operations in Bangladesh, Ukraine and Senegal.

TML supports TMFL (through TMFHL) by way of regular equity infusions, management & systems support TML also extends management support through representation of its senior management on TMFL's board.

**Information on Subsidiary :**

TMFL does not have any subsidiary.

**d. Brief particulars of the management of TMFL:**

**Board of Directors:**

| <b>Name of Director</b> | <b>Designation</b>       |
|-------------------------|--------------------------|
| Nasser Munjee           | Chairman                 |
| Hoshang Sinor           | Independent Director     |
| Phillie Dara Karkaria   | Independent Director     |
| P. B. Balaji            | Non- Executive Director  |
| Girish Wagh             | Non- Executive Director  |
| Vedika Bhandarkar       | Independent Director     |
| Mayank Pareek           | Non – Executive Director |
| Shyam Mani              | Non - Executive Director |

**e. Names, addresses, DIN and occupations of the directors;**

| <b>Name, Designation and business address of the Directors</b> | <b>Date of Birth and Age</b>  | <b>Director Since</b> | <b>Educational Qualifications</b>                         | <b>Total Work Experience</b> | <b>Directorships in other Companies</b>   | <b>Occupation</b> |
|--|-------------------------------|-----------------------|---|------------------------------|---|-------------------|
| Nasser Munjee, Director and                                    | November 18, 1952<br>65 years | May 19, 2017          | Masters in Economics from London School of Economics, UK. | 38 years                     | <ul style="list-style-type: none"> <li>ABB India Limited</li> <li>Ambuja Cements Limited</li> </ul> | Professional      |

|   |                                       |                       |  |                 |   |                     |
|---|---------------------------------------|-----------------------|--|-----------------|---|---------------------|
| <p>Chairman of Board</p> <p>DCB Bank,<br/>Trade Point,<br/>Kamala Mills Compound,<br/>Lower Parel,<br/>Mumbai-400013.</p> <p>DIN:<br/>00010180</p>  |                                       |                       |  |                 | <ul style="list-style-type: none"> <li>• Cummins India Limited</li> <li>• DCB Bank Limited</li> <li>• HDFC Limited</li> <li>• Tata Chemicals Limited</li> <li>• Tata Chemicals North America, INC, USA</li> <li>• Tata Chemicals European Holdings Ltd.</li> <li>• Karta Initiative India Foundation</li> <li>• Jaguar Land Rover Automotive PLC, UK</li> <li>• Strategic Foods International Co. LLC, Dubai, UAE</li> <li>• Tata Motors Limited</li> <li>• Indian Institute For Human Settlements</li> <li>• Aga Khan Rural Support Programme (India)</li> </ul> |                     |
| <p>Hoshang Sinor,<br/>Independent Director</p> <p>764 – F,<br/>Sarosh Court,<br/>Tilak Road,<br/>Dadar,<br/>Mumbai – 400014</p> <p>DIN:00074905</p> | <p>December 05, 1944<br/>73 years</p> | <p>March 29, 2016</p> | <p>B.Com, L.L.B</p>  | <p>44 years</p> | <ul style="list-style-type: none"> <li>• Themis Medicare Ltd.</li> <li>• Tata Investment Corporation Ltd.</li> <li>• Cosmo Films Ltd.</li> <li>• TMF Holdings Ltd.</li> <li>• JM Financial Asset Reconstruction Company Private Limited</li> <li>• Universal Trustees Private Limited</li> </ul>  | <p>Professional</p> |
| <p>Phillie Dara Karkaria,<br/>Independent Director</p> <p>Flat 1, Sleater house no. 2,<br/>Naushir Bharucha Road,</p>                               | <p>November 06, 1948<br/>69 years</p> | <p>June 8, 2001</p>   | <p>B.Com, Fellow of the Chartered Institute of Management Accountants, London (CIMA)</p> | <p>41 years</p> | <ul style="list-style-type: none"> <li>• Taj Air Limited</li> <li>• Tata Securities Limited</li> <li>• Zoroastrian Co-operative Bank Limited</li> <li>• TRIL Inforpark Limited</li> <li>• TRIL Roads Private Limited</li> </ul>   | <p>Professional</p> |

|   |                                |                  |   |          |   |              |
|---|--------------------------------|------------------|---|----------|---|--------------|
| Mumbai 400 007<br><br>DIN:<br>00059397  |                                |                  |   |          | <ul style="list-style-type: none"> <li>• Duville Estates Private Limited</li> <li>• TMF Holdings Limited (Formerly Tata Motors Finance Limited)</li> <li>• Oriental Hotels Limited</li> </ul>   |              |
| Vedika Bhandarkar, Independent Director<br><br>B/8 Sea Face Park, Bhulabhai Desai Road, Worli, Mumbai<br><br>DIN-00033808               | December 19, 1967, 50 Years    | May 19, 2017     | MBA from IIM, Ahmedabad, B.Sc from the MS University, Udaipur   | 26 years | <ul style="list-style-type: none"> <li>• Tata AutoComp Systems Limited</li> <li>• Tata Motors Finance Solutions Limited</li> <li>• Tata Sky Limited</li> <li>• L&amp;T Infotech Limited</li> <li>• Tata Investment Corporation Limited</li> <li>• IFMR Capital Finance Private Limited</li> <li>• Foundation For Accessible Aquanir And sanitation</li> </ul> | Professional |
| P.B. Balaji, Non Executive Director<br>Tata Motors Limited, Bombay House, Homi Mody Street, Fort, Mumbai 400 001<br><br>DIN: - 02762983 | September 09, 1969<br>49 years | January 29, 2018 | Mechanical Engineer – IIT Chennai<br>PGDM – IIM Kolkata   | 25 years | <ul style="list-style-type: none"> <li>• TMF Holdings Limited</li> <li>• Tata Motors Finance Solutions Limited</li> <li>• Tata Technologies Limited</li> </ul>  | Service      |
| Girish Wagh, Non Executive Director<br><br>Tata Motors Limited<br>Bombay House, Homi Mody Street,                                       | December 02, 1970<br>47 years  | January 29, 2018 | <ul style="list-style-type: none"> <li>• Bachelor's Degree in Mechanical Engineering from Pune University</li> <li>• Post Graduate Diploma</li> </ul> | 25 years | <ul style="list-style-type: none"> <li>• Tata Marcopolo Motors Limited</li> <li>• Tata International Limited</li> <li>• Tata Cummins Private Limited</li> <li>• Automobile Corporation Of Goa Limited</li> <li>•</li> </ul>   | Service      |

|  |                                   |                   |  |          |   |           |
|--|-----------------------------------|-------------------|--|----------|---|-----------|
| Fort, Mumbai<br>400 001<br><br>DIN:<br>03119361  |                                   |                   | in<br>Manufact<br>uring<br>Manage<br>ment<br>from<br>Mumbai                                |          |   |           |
| Shyam Mani,<br>Non<br>Executive<br>Director<br><br>Building 'A',<br>Second<br>Floor, Lodha I<br>Think Techno<br>Campus, Off.<br>Pokharan<br>Road No.<br>2, Thane(W)-<br>400607<br><br>DIN:<br>00273598 | September<br>01, 1953<br>64 years | March 29,<br>2016 | B. Tech  | 36 years | <ul style="list-style-type: none"> <li>• Tata Motors Insurance Broking and Advisory Services Limited</li> <li>• Tata Motors Finance Solutions Limited</li> <li>• Tata Hitachi Construction Machinery Company Private Limited</li> <li>• Finance Industry Development Council</li> <li>• TMF Holdings Limited (Formerly Tata Motors Finance Limited)</li> <li>• Serviplem, S.A.U.</li> </ul> | Service   |
| Mayank Pareek, Non<br>Executive<br>Director<br><br>Flat # 4501<br>Lodha<br>Belissimo,<br>45th Floor, A<br>Wing, Lower<br>Parel,<br>Mumbai<br>400011<br><br>DIN-<br>00139206                            | March 01,<br>1961,<br>56 Years    | May 19, 2017      | IIT- BHU-<br>Bachelor Of<br>Engineering<br><br>IIM Bangalore<br>PGD Business<br>Management | 21 years | <ul style="list-style-type: none"> <li>• Concorde Motors (India) limited</li> <li>• Audit Bureau Of Circulations</li> <li>• TML Distribution Company Limited</li> <li>• FIAT India Automobile Private Limited</li> <li>• Tata Motors Insurance Broking and Advisory Services Limited</li> </ul>   | • Service |

**f. Management's perception of risk factors :**

**Forward Looking Statements:**

This Disclosure Document contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "shall", "will", "will continue", "will pursue", "would", "will likely result", "is likely", "expected to", "will achieve", "contemplate", "seek to", "target", "propose to", "future", "goal", "project", "should", "can", "could", "may", "in management's judgment" or other words or phrases of similar import or variations of such

expressions. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and abroad;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Our ability to compete effectively and access funds at competitive cost;
- Changes in the value of Rupee and other currency changes;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- Availability of funds and willingness of our lenders and investors to lend and invest in TMFL;
- Changes in political conditions in India;
- The rate of growth of our loan assets and level of NPAs in our portfolio;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Our ability to retain our management team and skilled personnels;
- Changes in Indian and foreign laws and regulations, including tax, accounting, banking, securities, investments and loans, foreign exchange, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations; and
- Changes in laws and regulations that apply to NBFCs in India, including laws that impact our lending rates and our ability to enforce our collateral.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither TMFL, and its Directors and Officers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors”

#### **(B) Use of Market Data**

Unless stated otherwise, macroeconomic and industry data used throughout this Offer Document has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Disclosure Document is reliable, it has not been independently verified.

### **RISK FACTORS**

The following are the risks envisaged by the management, and Investors should consider the following risk factors carefully for evaluating The Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to TMFL only. The risks have been quantified wherever possible. If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and therefore the value of the Company's debt securities could decline.

Note: Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below:

## **A. INTERNAL RISK FACTORS**

### **Delinquency Risk**

- 1. As an NBFC, one of the most important risks affecting the profitability of the Company is the risk of non-payment by its borrowers and other counterparties.**

The Company's gross receivables as on March 31, 2018 are Rs. 21,21,446 Lakhs. The size of Issuer's/Company's loan assets is expected to continue to increase in the future as the Company expands its business in India and offers new products. Since most of the Company's borrowers are individuals and small and medium size companies, the Company's credit risk could be higher due to their potential inability to adapt to changes in the economic and industrial scenario and global technological changes as also changes in the Indian regulatory and political environment. This may lead to an increase in the number and value of the Company's NPAs.

The Company is exposed to the risk that third parties which owe us money, securities or other assets may not perform their obligations. These parties may default on their obligations to us due to various reasons including bankruptcy, lack of liquidity, operational failure, and other reasons. Further, any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could expose our Company to potential losses.

A nationwide credit bureau has only recently been established in India. This may affect the quality of information available to the Company about the credit history of the Company's new borrowers. In deciding whether to extend credit to or enter into transactions with customers and counter parties, the Company relies largely on information furnished by or on behalf of its customers, including financial information, based on which the Company performs its credit assessment. The Company may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information, if materially misleading may increase the risk of default. The Company's financial condition and results of operations could be negatively affected by relying on information that may not be true or may be materially misleading.

Although the Company regularly reviews credit exposures to clients and counterparties and to industries and geographical regions that the Company believes may present credit concerns, defaults may arise from events or circumstances that are difficult to detect or foresee.

- 2. Our inability to control the number and value of NPAs in our portfolio could adversely affect our business and results of operations.**

The Company's net non-performing assets were Rs. 99,559 Lakh representing 4.69% of the value of our net receivables as on March 31, 2018. It may be difficult for the Company to control or reduce the number and value of NPAs of its portfolio due to adverse global and domestic economic conditions and a prolonged recession period. The Company may not be able to improve its collections and recoveries in relation to its existing NPAs. The Company's inability to control or reduce the number and value of its NPAs may lead to deterioration of the quality of its loan portfolio and may severely impact its business.

The Company has made provisions of Rs. 31,109 Lakh towards its gross NPAs as on March 31, 2018. Though the Company's total provisioning against the NPAs at present may be adequate to cover all the identified losses in our loan portfolio, there may not be any assurance that in future, the provisioning though compliant with regulatory requirements will be sufficient to cover all anticipated losses. Further, the Company may not be able to meet its recovery targets set for the particular financial year due to the economic slowdown and intense competition witnessed at both global and domestic levels. In such circumstances, there could be an increase in the number and value of our NPAs which can impact the Company.

**3. The Company may be exposed to the potential loss of less recovery of value of collaterals due to delays in their enforcement on defaults by the its borrowers and also due to market conditions**

The Company's total gross receivables as on March 31, 2018 is Rs. 21,21,446 Lakhs which is fully secured by collaterals. The value of collaterals may decline due to adverse market conditions. Delays in bankruptcy and foreclosure proceedings, defects in title, documentation of collateral and the necessity of obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral and the Company may not be able to recover the estimated value of the collateral, thus exposing the Company to potential losses.

**4. System failures, infrastructure bottlenecks and security breaches in computer systems may adversely affect our business.**

The Company's businesses is highly dependent on its ability to process, on a daily basis, a large number of increasingly complex transactions. The Company's financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond its control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in the Company's internal processes or systems, it could affect its operations or result in financial loss, disruption in its businesses, regulatory intervention or damage to the Company's reputation. In addition, the Company's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports its businesses and the localities in which the Company is located.

The Company's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The Company's computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

**5. The Company's lending activities are vulnerable to interest rate risks, market risks and asset liability mismatch risks which may have great impact on its financial performance.**

Interest income forms a substantial part of the total income of the Company. The Company extends loans at fixed interest rates. The Company's borrowings are a mix of fixed and floating rates. A mismatch between assets and liabilities may cause gross spreads to decline and adversely affect the Company's profitability and liquidity conditions. The Company endeavors to match interest rate positions to minimize interest rate risk and avoid liquidity risks but may not be able to do so.

Operations of the Company are susceptible to interest rate movements. Interest rates are highly sensitive to many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors.

- 6. The Company faces asset-liability mismatches in the short term, which could affect its liquidity position. A portion of the Company's funding requirement is through short-term funding sources and in the event lenders decide to withdraw the existing or committed credit facilities or do not roll over the existing credit facilities, the Company's business could be adversely affected.**

The difference between the value of assets and liabilities maturing, in any time period category provides the measure to which we are exposed to the liquidity risk. As is typical for several NBFCs, a portion of our funding requirements is met through short-term funding sources, i.e. bank loans, working capital demand loans, cash credit, short term loans and commercial papers. However, a large portion of our assets have medium or long-term maturities. In the event that the existing and committed credit facilities are withdrawn or are not available to the Company, funding mismatches may be created and it could have an very adverse effect on business and future financial performance of the Company.

- 7. The Company's indebtedness and restrictive covenants imposed by its financing agreements, debenture trust deeds could restrict ability to conduct business and operations.**

The Company's financing agreements, debenture trust deeds require it to maintain certain security margins. Should the Company breach any financial or other covenants contained in any of its financing agreements, debenture trust deeds, the Company may be required to immediately repay its borrowings either in whole or in part, together with any related costs. Under the terms of some of the loan agreements, the Company is required to obtain the prior written consent of the concerned lender prior to the Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction or selling, leasing, transferring all or a substantial portion of its loan receivables/ current assets ; making any change in ownership or control or constitution of the Company, or in the shareholding or management or majority of directors, or in the nature of business of the Company; or making amendments in the Company's Memorandum and Articles of Association. This may restrict/ delay some of the actions / initiatives that the Company may like to take from time to time.

- 8. The Company may not get the benefits of being a Tata group company in case of any change of control**

In case of any change of control due to any event such as transfer of shares by the Company's Promoter, preferential allotment to any investor, our ability to leverage the "Tata" brand may get affected and the benefits of being a Tata group company including leveraging of business

from other Tata companies may become unavailable to the Company and consequently, could adversely impact its business operations and profitability.

**9. The Company is exposed to various operational risks including the risk of fraud and other misconduct by employees or outsiders.**

Like other financial intermediaries, the Company is also exposed to various operational risks which include the risk of fraud or misconduct by its employees or even an outsider, unauthorized transactions by employees or third parties, misreporting and non-compliance of various statutory and legal requirements and operational errors. It may not be always possible to deter employees from the misconduct or the precautions that the Company take to detect and prevent these activities may not be effective in all cases. Any such instances of employee's misconduct or fraud, the improper or disclosure of confidential information, could result in regulatory and legal proceedings and may harm reputation and also operations of the Company.

**10. The Company may not be able to attract or retain talented professionals required for our business.**

The complexity of the Company's business operations requires highly skilled and experienced manpower. Such highly skilled personnel give a competitive edge to the Company. Further the successful implementation of the Company's growth plans would largely depend on the availability of such skilled manpower and its ability to attract such qualified manpower. The Company may lose many business opportunities and its business would suffer if such required manpower is not available on time. Though we have appropriate human resources policies in place, the Company may face the risk of losing its key management personnel due to reasons beyond its control and it may not be able to replace them in a satisfactory and timely manner which may adversely affect its business and its future financial performance.

**11. The Company has commitments and contingent liabilities as on March 31, 2018.**

**a. Commitments**

**a. Contingent liabilities to the extent not provided for - Claims against the Company not acknowledged as debts:**  
Rs. In Lakhs

| Particulars  | At March<br>31, 2018 | At March<br>31, 2017 |
|--|----------------------|----------------------|
| In respect of value added tax and entry tax matters              | 1,09.54              | 1,21.73              |
| In respect of service tax matters                                | 60,09.79             | 5,23.33              |
| In respect of consumer disputes                                  | 4,55.77              | 7,13.61              |
| In respect of bonus under Payment of Bonus (Amendment) Act, 2015 | 26.15                | 26.15                |
| <b>Total</b>   | <b>66,01.25</b>      | <b>13,84.82</b>      |

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

| Particulars | At March<br>31, 2018 | At March<br>31, 2017 |
|-------------|----------------------|----------------------|
|             |                      |                      |

|   |           |           |
|---|-----------|-----------|
| Cash collateral with banks in respect of finance receivables assigned/secured                               | 145,77.61 | 73,45.40  |
| In respect of guarantees given by banks for liability against receivables assigned by way of securitisation | 125,10.63 | 109,85.00 |
| In respect of guarantees given by banks for liability against insurance portal business                     | 1,50.00   | 3,10.00   |
| In respect of guarantees given by banks for CST and VAT registrations                                       | 10.40     | -         |
| In respect of guarantees given by banks for Income tax matters  | 93.00     | -         |

**b. Commitments**

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

**12. The Company may not be able to access funds at competitive rates and higher cost of borrowings could have significant impact on the scale of our operations and also profit margins.**

The Company's growing business needs would require it to raise funds through commercial borrowings. The Company's ability to raise funds at competitive rates would depend on its external credit rating, lenders' internal rating and credit norms, financial performance, regulatory environment in the country and the liquidity scenario in the markets and economy. The developments in the international markets affect the Indian economy including the financial liquidity position. The Company is exposed to the risk of liquidity in the financial markets. Changes in economic and financial conditions could make it difficult for the Company to access funds at competitive rates. Being an NBFC and asset finance company, the Company due to has restrictions from RBI to raise funds from international markets which are relatively cheaper sources of funds and this further constrains its ability to raise cheaper funds.

**13. The Company faces increasing competition from established banks and NBFCs. The successful implementation of the growth plans depends on the Company's ability to face the competition.**

The Company's main competitors are established commercial banks and NBFCs. Over the past few years, the retail financing area has seen the entry of banks, both nationalised as well as foreign. Banks have access to low cost funds which enables them to enjoy higher margins and/or offer finance at lower rates. NBFCs do not have access to large quantities of low cost deposits, a factor which can render them less competitive. Further, the Company commenced its operations only in September, 2006, and therefore may face competition from established banks and NBFCs in its operations and growth.

**14. The current trading of the Company's existing listed privately placed Secured Redeemable Non-Convertible Debentures, Unsecured, Redeemable, Non-Convertible Subordinated Debentures and Unsecured, Non-Convertible Subordinated Perpetual Debentures may not reflect the liquidity of the Debentures being offered through this Issue.**

Before this offering, the Company has Secured, Redeemable, Non-Convertible Debentures outstanding aggregating to Rs. 136,700 lakhs as of March 31, 2018 which are issued on a private placement basis and are listed on the WDM segment of NSE. The Company has also issued Secured, Redeemable, Non-Convertible in the nature of Zero Coupon Debentures

aggregating Rs. 218,100 lakhs (face value) from on a private placement basis which are listed on the WDM segment of NSE. The Company has also Unsecured, Redeemable, Non-Convertible Subordinated Debentures as Tier II aggregating Rs. 118,490 lakh on a private placement basis out which are listed on the WDM segment of NSE. The Company has also Unsecured, Non-Convertible Subordinated Perpetual Debentures aggregating Rs. 375,30 lakhs on a private placement basis which are listed on the WDM segment of NSE. There can be no assurance that an active market for the NCDs will develop, and if such a market were to develop, there is no obligation on the Company to maintain such a market. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which the investors purchase the NCDs.

**15. The Company may be unable to adequately protect our intellectual property since some of its trademarks, logos and other intellectual property are in the process of being registered and therefore do not enjoy any statutory protection. Further, the Company may be subject to claims alleging breach of third party intellectual property rights.**

“Tata Motor Finance” is a registered trade mark of Tata Sons Limited under the provisions of the Trademarks Act, 1999. The Company cannot assure that Tata Sons Limited will continue to license the aforementioned trademark to it. Further, third parties may infringe the Company’s intellectual property, causing damage to its business prospects, reputation and goodwill. The Company’s efforts to protect its intellectual property may not be adequate and any third party claim on any of its unprotected brands may lead to erosion of its business value and its operations could be adversely affected. The Company may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favorable outcome cannot be guaranteed. The Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property. The Company cannot assure that any unauthorized use by third parties of the trademark “Tata Motors finance” and other related trademarks will not similarly cause damage to its business prospects, reputation and goodwill. Further, the Company have entered into a Brand Equity and Business Promotion Agreement dated July 03, 2017 with Tata Sons Limited for the use of the Trademark “TATA”. Under various clauses mentioned in the agreement, Tata Sons Limited may terminate the aforementioned agreement. Further, only Tata Sons Limited has the right to apply for registration any mark containing the trademark/Trade Name “TATA” and the Company cannot assure that such marks would eventually be licensed to the Company by Tata Sons. The Company cannot guarantee that the aforementioned agreement will not be terminated in the future and this may result in it having to change the name of the Company.

**16. The Company may have a high concentration of loans to certain customers or group of customers. If a substantial portion of these loans becomes non-performing, our business and financial performance could be affected.**

The Company’s business of retail lending with or without securities exposes it to the risk of third parties that owes it money. The Company’s loan portfolio and non-performing asset portfolio has, or may in the future, have a high concentration in certain customers or groups of customers. These parties may default on their obligations to the Company due to bankruptcy,

lack of liquidity, operational failure, breach of contract, government or other regulatory intervention and other reasons including inability to adapt to changes in the macro business environment or for reasons beyond the control of the Company. Historically, such borrowers or such borrowers' groups have been adversely affected by economic conditions in varying degrees. Credit losses due to financial difficulties of these borrowers/ borrowers' groups in the future could adversely affect the Company's business and its financial performance.

**17. The Company have entered into transactions with related parties which create conflicts of interest for certain of its management and Board of Directors.**

The Company have entered into transactions with related parties, including its Promoter and its affiliated companies. Such agreements may give rise to current or potential conflicts of interest with respect to dealings between the Company and such related parties. Additionally, there can be no assurance that any dispute that may arise between the Company and related parties will be resolved in the Company's favour.

**18. The Company may incur loss in future**

If the Company incurs losses in future, the Company's results of operations and financial condition will be adversely affected.

**Risks Relating to the Utilization of Issue Proceeds**

**19. Our management will have significant flexibility in applying proceeds of the Issue.**

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various activities, including but not restricted to, lending and investments, to repay our existing loans, our business operations including capital expenditure and working capital requirements and all such activities and uses being subject to applicable law.

The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date.

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue if the necessary security or charge over assets if applicable have been created within 30 days as required the RBI guidelines. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by its Board of Directors.

Further as per the provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

**Risks Relating to the Debentures**

**20. Changes in general interest rates in the economy may affect the price of the Company's Debentures.**

All securities where a fixed rate of interest is offered, such as the Company's Debentures, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our Debentures.

**21. The Company is not required to maintain any Debenture Redemption Reserve (DRR) for the Debentures issued under this Disclosure Document/ Offer Document.**

No Debenture Redemption Reserve is being created for the issue of NCDs in pursuance of this Offer Document since creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures. As per Companies (Share Capital and Debentures Rules, 2014), no DRR is required to be created for NCDs issued by NBFCs issued on private placement basis, therefore the Company is exposed for redemption risk.

**22. Any downgrading in credit rating of the Company's Debentures may affect the value of Debentures and thus the Company's ability to raise further debts.**

This Issue of NCDs has been rated by CARE AA+/ Stable. The Issuer cannot guarantee that these ratings will not be downgraded. Any downgrade in the above credit ratings may lower the value of the NCDs and may also affect the Issuer's ability to raise further debt. Moreover any upgrade in the above rating is not guaranteed by increase in or higher value of the Company's NCDs.

**B. EXTERNAL RISK FACTORS**

**23. The Company is subject to regulatory and legal risk which may adversely affect its business.**

The operations of a NBFC are subject to regulations framed by the RBI and other authorities.. Under the guidelines issued by the RBI, the Company has been classified as a Systemically Important Non Deposit Accepting Asset Finance Company. The Company will be subject to the CAR prescribed by the RBI. Under the guidelines issued by the RBI dated September 01, 2016 vide circular No. DNBR. PD. 008/03.10.119/2016-17, the Company is required to maintain a CAR of 15% besides complying with other prudential norms

The Company is also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect its business and future financial performance.

**24. The Company's growth depends on the sustained growth of the Indian economy and growth plans of Tata Motors Limited. An economic slowdown in India and abroad with**

**low volumes of Tata Motors Ltd could have direct impact on our operations and profitability.**

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on our business. The quantum of our disbursements is driven by the growth in demand for passenger cars, commercial vehicles etc. The Indian economy has been improving on macro factors.

In case the economy does not grow on macro factors and if TML sales volumes are low because of slow down in economy in future, it may have direct impact on the Company's disbursements and such prolonged slowdown of the economy as a whole can increase the level of defaults thereby adversely impacting the Company's growth plans and the quality of its portfolio

**25. Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact the Company's business.**

The role of the Indian Central and State Governments in the Indian economy has remained significant over the years. Since 1991, the Government has pursued a policy of economic liberalization, including significantly relaxing restrictions on the private sector. There can be no assurance that these liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting financial services companies, foreign investment, currency exchange rates and other matters affecting investments in Indian companies could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India, thus affecting the Company's business. The current Government is and future Governments could be a coalition of several parties. The withdrawal of one or more of these parties could result in political instability. Any political instability in the country could materially impact the Company's business adversely.

**26. Civil unrest, terrorist attacks and war could affect the Company's business.**

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India, as well as the United States of America, the United Kingdom, Singapore and the European Union, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect the Company's business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighboring countries. Also, some of India's neighboring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and the Company may not be able to foresee events that could have an adverse effect on its business and the price and yield of its NCDs.

**27. The Company's business may be adversely impacted by natural calamities or unfavorable climatic changes.**

India, Bangladesh, Pakistan, Indonesia and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Some of these countries have also experienced pandemics, including the outbreak of avian flu/ swine flu. The

extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the financial services sector of which the Company is a part. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies in which the Company have operations, which could adversely affect its business and the price of its Debentures.

**28. Any downgrading of India's sovereign rating by an international rating agency(ies) may affect the Company's business and its liquidity to a great extent.**

Any adverse revision to India's sovereign credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on the Company's financial performance and its ability to obtain financing to fund its growth on favourable terms, or at all.

**NOTES TO THE RISK FACTORS**

Same, as stated elsewhere in this Disclosure Document / Offer Document, since the date of the audited financial accounts, no developments have taken place that are likely to materially and adversely affect the performance or prospects of the Company.

**g. Details of default, if any, including therein the amount involved, duration of default and present**

**status, in repayment of –**

**i) statutory dues;**

**ii) debentures and interest thereon;**

**iii) deposits and interest thereon;**

**iv) loan from any bank or financial institution and interest thereon.**

TMFL has not defaulted in repayment of :

i) statutory dues;

ii) debentures and interest thereon;

iii) deposits and interest thereon;

iv) loan from any bank or financial institution and interest thereon.

**h. Names, designation, address and phone number, email ID of the nodal/ compliance officer of TMFL, if any, for the private placement offer process :**

**Compliance Officer:**

Mr. Vinay B. Lavannis

Building 'A', Second Floor,

Lodha I Think Techno Campus, Off. Pokharan Road No. 2,

Thane(W)- 400607

Phone: (022) 610700724, Fax: (022) 61815817

Email: [vinay.lavannis@tmf.co.in](mailto:vinay.lavannis@tmf.co.in)

**2. PARTICULARS OF THE OFFER-**

**a) Date of passing of board resolution :** May 02, 2018

**b) Date of passing of resolution in the general meeting, authorizing the offer of securities :**

June 06, 2018

**c) Kinds of securities offered (i.e. whether share or debenture) and class of security:**

Secured, Redeemable, Non-convertible Debentures (“NCDs”)

**d) Price at which the security is being offered including the premium, if any, alongwith justification of the price :**

NCDs will be issued at par with a face value of Rs. 10,00,000 with minimum subscription of Rs, 1,00,00,000 and above

**e) Name and address of the valuer who performed valuation of the security offered :**

Not Applicable.

**f) Amount which TMFL intends to raise by way of securities;**

Rs. 70 Crores plus green shoe option of Rs. 130 cr

**g) Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;**

| <b>Particulars</b>  | <b>Option I</b>  |
|---------------------|--|
| Amount to be raised | Rs. 70 Crores plus green option of Rs. 130 cr  |
| Duration            | 1098 days  |
| Coupon Rate         | NA   |
| Yield (XIRR)        | 9.15% (As negotiated on NSE EBP system)  |
| Repayment Date      | July 26 , 2021   |
| Mode of Payment     | Payment to the Debenture holders will be made by way of direct credit through National Electronic Clearing Service (NECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque(s)/demand draft(s)/interest warrant(s), which will be dispatched to the debenture holder(s) by registered post/ speed post/ courier or hand delivery |

**Note:**

All other Terms & Conditions will be as per the Disclosure Document dated July 23, 2018

**h) Proposed time schedule for which the offer letter is valid;**

Bid Opening day – July 23, 2018 at 11.00 am

Bid closing day – July 23, 2018 at 1.00 pm

Issue opens- July 23, 2018      Issue closes- July 23, 2018

Deemed Allotment Date- July 24, 2018

**i)      Purposes and objects of the offer :**

Details of Utilization of issue proceeds

The funds raised through this Issue, after meeting the expenditure of and related to the Issue, will be used for our various financing activities, to repay our existing borrowings and our business operations including for our capital expenditure and working capital requirements.

The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date.

**Interim Use of Proceeds**

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or the Investment Committee from time to time.

**j)      contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects:**

The Directors or promoters of the Company may be deemed to be concerned or interested in the issue of NCD to the extent of the debentures that may be subscribed to by them or by the companies / firms in which they are interested.

**k)      Principle terms of assets charged as security, if applicable :**

**DETAILS OF MORTGAGED PROPERTIES**

(A) First parri passu mortgage on Flat no. 703, Nilgiri (Building no. 5), Gawand Baug, Survey No. 271 / 1, Majiwade, Pokhran Road No 2, Thane (W) 400 610.

And

(B) First passu mortgage on all receivables arising out of loan, lease and hire purchase transactions, all other book debts, trade advances forming part of the Movable Property of the Company and such other Current Assets that may come into existence from time to time in each case as identified in writing by the Company to form part of the Movable Property

Notwithstanding anything contained in any Transaction Document, to maintain the Required Security Cover, the Company may add and/ or substitute the aforesaid Movable Property. It shall be the responsibility of the Company to identify from time to time and indicate the Current Assets that are to be mortgaged under this Deed. The Company in writing will indicate the same by furnishing the additional /substituted lists of contracts at the end of every month to Debenture Trustee. Upon such written intimation, the Current Assets so identified would be deemed to have been mortgaged under these presents and shall be deemed to constitute the Movable Property.

### **3. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**

- i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.**

The Directors, promoters or Key Managerial Persons of the Company or their respective relatives may be deemed to be concerned or interested in the issue of NCD to the extent of the debentures that may be subscribed to by them or by the companies / firms in which they are interested.

- ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed**

No litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years

- iii. Remuneration of directors (during the current year and last three financial years) :**

During the current financial year and last 3 financial years, there has been no Managing Director

in the Company.

(Rs. in Lakhs)

**Sitting Fees Paid to Directors**

| <b>Name of Director</b> | <b>FY 2018-19*</b> | <b>FY 2017-18</b> | <b>FY 2016-17</b> | <b>FY 2015-16</b> |
|-------------------------|--------------------|-------------------|-------------------|-------------------|
| Nasser Munjee           | 1.60               | 5.60              | -                 | -                 |
| Hoshang Sinor           | 2.10               | 11.20             | 5.70              | -                 |
| Phillie Dara Karkaria   | 0.50               | 10.70             | 5.95              | 5.45              |
| P. B. Balaji            | -                  | -                 | -                 | -                 |
| Girish Wagh             | -                  | -                 | -                 | -                 |
| Vedika Bhandarkar       | 1.00               | 9.40              | -                 | -                 |
| Mayank Pareek           | -                  | -                 | -                 | -                 |
| Shyam Mani              | -                  | -                 | 0.50              | -                 |

\*Sitting fees paid till date for FY 2018-19.

**iv. Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided :**

**1. Related parties and their relationship**

**Related party transactions entered during the last three financial years immediately preceding the year of circulation of the offer letter, including with regard to loans made or, guarantees given or securities provided:**

**2. Transactions and balances**

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

| Sr. No. | Particulars                            | Year ended March 31, 2018 | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---------|--|---------------------------|---------------------------|---------------------------|
| 1       | Incentive received                     | 127,46.31                 | 3,91.20                   | -                         |
| 2       | Service charges – income               | 3,75.91                   | 75.54                     | -                         |
| 3       | Purchase of fixed assets               | 3,72.78                   | -                         | -                         |
| 4       | Common cost reimbursement              | 1,01.69                   | 19.60                     | 19.02                     |
| 5       | Lease charges received                 | 67.99                     | -                         | -                         |
| 6       | Delinquency support – reversal         | 57.64                     | 46.03                     | -                         |
| 7       | Information technology service charges | 50.60                     | -                         | -                         |
| 8       | Rent – expenditure                     | 31.32                     | 5.08                      | -                         |
| 9       | Rent – income                          | 6.33                      | 9.38                      | 8.87                      |
| 10      | Cross charges                          | 2.35                      | -                         | -                         |

Net receivable from Tata Motors Limited at March 31, 2018 was Rs. 12,87.74 Lakhs (March 31, 2017: Rs. 4,76.51 Lakhs) (March 31, 2016: Rs. 2,52.12 lakhs)

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

| Sr. No. | Particulars   | Year ended March 31, 2018 | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---------|---|---------------------------|---------------------------|---------------------------|
| 1       | Inter corporate deposits accepted   | 525,00.00                 | -                         | -                         |
| 2       | Inter corporate deposits refunded   | 475,00.00                 | -                         | -                         |
| 3       | Issue of equity shares (including share premium)                              | 300,00.00                 | 2302,00.00                | -                         |
| 4       | Issue of Compulsorily Convertible Preference shares (including share premium) | 300,00.00                 | 450,00.00                 | -                         |
| 5       | Issue of unsecured Tier-II debenture  | 200,00.00                 | -                         | -                         |
| 6       | Advance given   | 5.00                      | -                         | -                         |
| 7       | Advance received back   | 5.00                      | -                         | -                         |
| 8       | Purchase of new vehicle finance business                                      | -                         | 2752,00.00                | -                         |
| 11      | Dividend paid on equity shares  | 51,57.10                  | 7,80.00                   | -                         |
| 12      | Dividend paid on compulsorily Convertible Preference Shares                   | 18,45.00                  | -                         | -                         |
| 13      | Rent – Expenses   | 8,43.35                   | -                         | -                         |
| 14      | Interest expense on inter corporate deposits                                  | 1,39.14                   | -                         | -                         |
| 15      | Common cost sharing   | 62.02                     | 11.10                     | -                         |
| 16      | Reimbursement of expenses received  | 32.83                     | -                         | -                         |
| 17      | Interest expense on unsecured Tier-II debenture                               | 19.73                     | -                         | -                         |

**Closing balances**

Rs. in lakhs

| Sr. No. | Particulars                                      | At March 31,<br>2018 | At<br>March<br>31,<br>2017 | At March 31,<br>2016 |
|---------|--|----------------------|----------------------------|----------------------|
| 1       | TMF Holdings Limited- Net Receivable             | -                    | 3,19.05                    | -                    |
| 2       | TMF Holdings Limited- Net Payable                | 50,30.40             | -                          | -                    |
| 3       | TMF Holdings Limited- Net Payable -<br>Debenture | 200,00.00            | -                          | -                    |

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

Rs. in lakhs

| Sr. No.  | Particulars  | Year ended<br>March 31,<br>2018 | Year<br>ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 |
|--|--|---------------------------------|------------------------------------|---------------------------------|
| <b>Tata Motors Finance Solution Limited</b>                        |  |                                 |                                    |                                 |
| 1  | ICDs repaid during the period                              | 1064,00.00                      | 87,00.00                           | -                               |
| 2  | ICDs accepted during the period                            | 1064,00.00                      | -                                  | -                               |
| 3  | Assignment of receivable                                   | 557,17.21                       | -                                  | -                               |
| 4  | Allotment of equity shares                                 | -                               | 105,00.00                          | -                               |
| 5  | Service providers' fees – Income                           | 23,99.22                        | 3,54.50                            | -                               |
| 6  | Interest paid on ICDs                                      | 4,14.02                         | 96.46                              | -                               |
| 7  | Dividend paid on equity shares                             | 1,85.48                         | -                                  | -                               |
| 8  | Reimbursement of other expenses received                   | 72.61                           | 3.76                               | -                               |
| 9  | Reimbursement of refurbishment expenses                    | 4.09                            | 0.90                               | -                               |
| <b>Concorde Motors (India) Limited</b>                             |  |                                 |                                    |                                 |
| 1  | Purchase of fixed assets                                   | 6,44.96                         | -                                  | -                               |
| 2  | Inter-corporate deposits repaid                            | -                               | 4,00.00                            | 8,00.00                         |
| 3  | Inter-corporate deposits given                             | -                               | -                                  | 8,00.00                         |
| 4  | Commission - expenditure (includes unamortised commission) | 3,74.82                         | 41.41                              | -                               |
| 5  | Lease charges received                                     | 61.08                           | -                                  | -                               |
| 6  | Car maintenance charges                                    | 0.44                            | -                                  | -                               |
| 7  | Interest Income on Inter Corporate Deposit given           | -                               | 23.01                              | 37.39                           |
| <b>Tata Technologies Limited</b>                                   |  |                                 |                                    |                                 |
| 1  | Information technology support service charges             | 3,79.32                         | 1,39.08                            | -                               |
| 2  | Dividend received  | 3,24.80                         | 2,84.20                            | 6,08.99                         |
| 3  | Interest on long term debenture                            | 55.00                           | 8.89                               | -                               |
| <b>Tata Motors Insurance Broking and Advisory Services Limited</b> |  |                                 |                                    |                                 |

|  |   |       |       |         |
|--|---|-------|-------|---------|
| 1  | Interest Income on Inter Corporate Deposit given            | -     | -     | 27.78   |
| 2  | Inter-corporate deposits given                              | -     | -     | 50.00   |
| 3  | Inter-corporate deposits repaid                             | -     | -     | 3,80.00 |
| <b>Tata Marcopolo Motors Limited</b>             |   |       |       |         |
| 1  | Interest Income on Inter Corporate Deposit given            | -     | -     | 84.29   |
| 2  | Inter-corporate deposits repaid                             | -     | -     | 9,00.00 |
| <b>Tal Manufacturing Solutions Limited</b>       |   |       |       |         |
| 1  | Interest Income on Inter Corporate Deposit given            | -     | -     | 5.52    |
| 2  | Inter-corporate deposits repaid                             | -     | -     | 4,00.00 |
| <b>Tata Precision Industries (India) Limited</b> |   |       |       |         |
|  | Interest Income on Inter Corporate Deposit given            | -     | -     | 1.52    |
| 1  | Interest Income on investment in non-convertible Debentures | 35.00 | 35.00 | 35.10   |
| <b>Automobile Corporation of Goa Limited</b>     |   |       |       |         |
| 1  | Dividend Income received                                    | 8.46  | 2.42  | 7.25    |
| <b>TML Distribution Company Limited</b>          |   |       |       |         |
| 1  | Advance for purchase of Vehicles                            | 17.87 | -     | -       |

**Closing balances**

|         |  | Rs. in lakhs      |                   |                   |
|---------|--|-------------------|-------------------|-------------------|
| Sr. No. | Particulars  | At March 31, 2018 | At March 31, 2017 | At March 31, 2016 |
| 1       | TATA Motors Finance Solutions Limited- net receivable                | -                 | 3,86.25           | -                 |
| 2       | TATA Motors Finance Solutions Limited- net payable                   | 61,87.22          | -                 | -                 |
| 3       | Concorde Motors (India) Limited – net payable                        | 1,55.07           | 11.33             | -                 |
| 4       | Concorde Motors (India) Limited – net receivable                     | -                 | -                 | 4,00.00           |
| 5       | Tata Technologies Limited – net payable                              | 6,29.10           | 5,01.48           | -                 |
| 6       | Tata Precision Industries (India) Limited – net receivable           | 17.45             | -                 | -                 |
| 7       | Tata Precision Industries (India) Limited – Investment in Debentures | 3,50.00           | 3,50.00           | -                 |
| 8       | TML Distribution Company Limited- net receivable                     | -                 | -                 | -                 |

v. **Summary of reservations or qualifications or adverse remarks of auditors in the last three financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of TMFL and the corrective steps taken and proposed to be taken by TMFL for each of the said reservations or qualifications or adverse remark**

**Auditor's Comments:**

For FY 15-16 : NIL

For FY 16-17 : NIL

For FY 17-18 : NIL

vi. **Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of TMFL and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for TMFL and all of its subsidiaries**

We confirm that no inquiry, inspection or investigation initiated or conducted under the Companies Act or any previous Company Law in the last three years immediately preceding the year of circulation of offer letter in the case of company. Also, no material prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter against the company

vii. **Details of acts of material frauds committed against TMFL in the last three years, if any, and if so, the action taken by TMFL-**

FY 2015-16 – NIL

FY 2016-17 – NIL

FY 2017-18 - NIL

#### **4. FINANCIAL POSITION OF TMFL**

a) **The capital structure of TMFL in the following manner in a tabular form:**

i. (a) **the Authorized, Issued, Subscribed and Paid up capital (number of securities, description and aggregate nominal value):**

**Details of Share Capital as on June 30, 2018**

| <b>Particulars</b>                            | <b>Aggregate Nominal Value (in Rs.)</b> |
|---|---|
| <b>Share Capital</b>                          |   |
|   |   |
| <b>Authorised</b>                             |   |
| 12,00,00,000 Equity shares of Rs. 100 each    | 12,00,00,00,000                         |
| 8,00,00,000 Preference Shares of Rs. 100 each | 8,00,00,00,000                          |
|   |   |

|  |               |
|--|---------------|
| <b>Issued</b>  |               |
| 5,38,73,415 Equity Shares of Rs. 100 each                              | 538,73,41,500 |
| 5,38,00,000 Compulsorily Convertible Preference Shares of Rs. 100 each | 538,00,00,000 |
| <b>Subscribed &amp; Paid Up</b>  |               |
| 5,38,73,415 Equity Shares of Rs. 100 each                              | 538,73,41,500 |
| 5,38,00,000 Compulsorily Convertible Preference Shares of Rs. 100 each | 538,00,00,000 |

**Changes in its Capital Structure as on June 15, 2018 for the last five years:**

| <b>Date of Change ( AGM/EGM)</b> | <b>Particulars</b>  |
|----------------------------------|---|
| June 12, 2018                    | Allotment of 1,63,00,000 Cumulative, Non-Participating Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each at price of Rs. 200/- each shares aggregating to Rs. 326,00,00,000/-   |
| June 06, 2018                    | <p>Memorandum of Association was modified for the re-classification the Authorized Share Capital of the Company</p> <p><b>from</b></p> <p>the existing Rs.2000,00,00,000/- (Rupees Two Thousand Crore) divided into 15,00,00,000 (Fifteen Crore) Equity shares of Rs.100/- each and 5,00,00,000 (Five Crore) Preference shares of Rs. 100/- each</p> <p><b>to</b></p> <p>Rs.2000,00,00,000/- (Rupees One Thousand and Five Hundred Crore only) divided into 12,00,00,000 (Twelve Crores) Equity shares of Rs. 100/- each for an aggregate amount of Rs. 1200,00,00,000/- (Rupees One Thousand Twelve Hundred Crore) and 8,00,00,000 (Eight Crore) Preference shares of Rs. 100/ of an aggregate amount of Rs. 800,00,00,000 (Rupees Five Hundred Crores).</p> |
| March 28, 2018                   | Allotment of 15,00,00,000 Cumulative, Non-Participating Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each at price of Rs. 200/- each shares aggregating to Rs. 30,00,00,000/-   |

|                 |  |
|-----------------|--|
| March 31, 2017  | Allotment of 39,826,990 Equity Shares of Rs. 100/- each at price of Rs. 578/- each shares aggregating to Rs. 23,020,000,220/-  |
| March 31, 2017  | Allotment of 22,500,000 Cumulative, Non-Participating Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each at price of Rs. 200/- each shares aggregating to Rs. 45,00,000,000/-   |
| March 31, 2017  | Allotment of 17,30,104 Equity Shares of Rs. 100/- each at price of Rs. 578/- each shares aggregating to Rs. 100,00,00,112/-  |
| March 20, 2017  | <p>Memorandum of Association was modified to increase the Authorized Capital of the Company</p> <p>from the existing Rs.76,50,00,000/- (Rupees Seventy Six Crores and Fifty Lakhs divided into 76,50,000 (Seventy Six Lakhs Fifty Thousand) Equity shares of Rs.100/- each to Rs.1500,00,00,000/- (Rupees One Thousand and Five Hundred Crore only) divided into 10,00,00,000 (Ten Crores) Equity shares of Rs. 100/- each of an aggregate amount of Rs. 1000,00,00,000/- (Rupees One Thousand Crore) and 5,00,00,000 (Five Crore) Preference shares of Rs. 100/- each of an aggregate amount of Rs. 500,00,00,000 (Rupees Five Hundred Crores).</p> |
| January 2, 2017 | Allotment of 91,912 Equity Shares of Rs. 100/- each at price of Rs. 544/- each shares aggregating to Rs. 5,00,00,128/-   |
| Sept 19, 2016   | Memorandum of Association was modified to increase the Authorized Capital of the Company from the existing Rs. 75,00,00,000 (Rupees Seventy-Five Crore Only) divided into 75,00,000 Equity Shares of Rs 100 each to Rs. 76,50,00,000 (Rupees Seventy-Six Crore and Fifty Lakh Only) divided into 76,50,000 Equity Shares of Rs.100 each”   |

**1. Share holding pattern of the Company as on June 30, 2018:**

| <b>Share Holding : Equity Share Capital</b> |   |                              |                                |                      |
|---|---|------------------------------|--------------------------------|----------------------|
| <b>Sr. No</b>                               | <b>Name of Shareholder</b>                  | <b>Number of Shares held</b> | <b>Amount paid up (Rupees)</b> | <b>%age of total</b> |
| 1   | TMF Holdings Limited                        | 5,20,51,392                  | 520,51,39,200                  | 96.62                |
| 2   | TMF Holdings Limited J/W Mr. Shyam Mani     | 1                            | 100                            | -                    |
| 3   | TMF Holdings Limited J/W Mr. Adarsh Kumar   | 1                            | 100                            | -                    |
| 4   | TMF Holdings Limited J/W Mr. Vinay Lavannis | 1                            | 100                            | -                    |
| 5   | TMF Holdings Limited J/W Mr. Anand Bang     | 1                            | 100                            | -                    |
| 6   | TMF Holdings Limited J/W Mr. Samrat Gupta   | 1                            | 100                            | -                    |
| 7   | TMF Holdings Limited J/W Mr. P.B. Balaji    | 1                            | 100                            | -                    |
| 8   | TMF Holdings Limited J/W Mr. Alok Chadha    | 1                            | 100                            | -                    |
| 9   | Tata Motors Finance Solutions Limited       | 18,22,016                    | 18,22,01,600                   | 3.38                 |
|   | <b>Total</b>                                | <b>5,38,73,415</b>           | <b>538,73,41,500</b>           | <b>100.00</b>        |

| <b>Share Holding : Compulsory Convertible Preference Shares (CCPSs)</b> |                      |                      |                                       |                                    |
|---|----------------------|----------------------|---------------------------------------|------------------------------------|
| <b>Particulars</b>  | <b>No. of Shares</b> | <b>Share Capital</b> | <b>% of Total Pref. Share Capital</b> | <b>No. of Shares in Demat Form</b> |
| <b>Indian Promoters :</b>   |                      |                      |                                       |                                    |
| Individual  | 0                    | 0                    | 0                                     | 0                                  |
| Bodies Corporate  | 1,50,00,000          | 150,00,00,000        | 27.88                                 | 1,50,00,000                        |
| Foreign Promoters   | 0                    | 0                    | 0                                     | 0                                  |
| <b>Sub Total (A)</b>  | <b>1,50,00,000</b>   | <b>150,00,00,000</b> | <b>27.88</b>                          | <b>1,50,00,000</b>                 |
| <b>Non-Promoters' Holding :</b>   |                      |                      |                                       |                                    |
| Institutional Investors   | 0                    | 0                    | 0                                     | 0                                  |
| Financial Institutions/Banks  | 0                    | 0                    | 0                                     | 0                                  |



|   |  |           |                             |       |             |                |                |
|---|--|-----------|-----------------------------|-------|-------------|----------------|----------------|
|   | price of Rs. 200/- each shares aggregating to Rs. 326,00,00,000/-  |           |                             |       |             |                |                |
| March 31, 2018  | 1,50,00,000 CCPS of Rs. 100/- each at price of Rs. 200/- each shares aggregating to Rs. 300,00,00,000/-      | Rs.200/-  | Cash Rs. 300,00,00,000/-    | Demat | 1,50,00,000 | 150,00,00,000  | 150,00,00,000  |
| January 12, 2018  | 47, 24, 409 Equity Shares of Rs.100/- each   | Rs. 635/- | Cash Rs. 299, 99, 99, 715/- | Demat | 47, 24, 409 | 47, 24, 40,900 | 252,75,58,815  |
| March 31, 2017  | 39,826,990 Equity Shares of Rs. 100/- each   | Rs. 578/- | Cash Rs. 23,020,000,220/-   | Demat | 39,826,990  | 398,26,99,000  | 1903,73,01,220 |
| March 31, 2017  | 22,500,000 Cumulative, Non-Participating Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each | Rs.200/-  | Cash Rs. 45,00,000,000/-    | Demat | 22,500,000  | 2250000000     | 2250000000     |
| March 31, 2017  | 17,30,104 Equity Shares of Rs.100/- each   | Rs.578/-  | Cash Rs. 100,00,00,112/-    | Demat | 17,30,104   | 17,30,10,400   | 82,69,89,712   |
|   |  |           |                             |       |             |                |                |
| January 2, 2017   | 91,912 Equity Shares of Rs. 100/- each   | Rs.544/-  | Cash Rs. 5,00,00,128/-      | Demat | 91,912      | 91,91,200      | 31,617,728     |
| Share capital of the Company as on the date of acquisition of Sheba Properties Limited by TMF Holdings Limited (formerly known as Tata Motors | 7500000 Equity Shares of Rs.100/- each   | 100       | Cash 750000000              | Demat | 7500000     | 750000000      | 0              |

|                  |  |  |  |  |  |  |  |
|------------------|--|--|--|--|--|--|--|
| Finance Limited) |  |  |  |  |  |  |  |
|------------------|--|--|--|--|--|--|--|

We have not issued any securities for consideration other than cash.

**b. Profits of TMFL, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter;**

Rs. In Lakhs

| Particulars  | FY 2017-18 | FY 2016-17 | FY 2015-16 |
|--------------|------------|------------|------------|
| PBT          | 35,753     | 5,645      | 1,214      |
| Prov for Tax | 2,995      | 1,254      | 112        |
| PAT          | 32,758     | 4,391      | 1,102      |

**c. Dividends declared by TMFL in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)**

| Financial Year | Nature of Dividend  | Number of Shareholders                         | % of Dividend declared   | Total Amount of Dividend Paid (INR)   |
|----------------|---|--|--|---|
| <b>2015-16</b> | Final Dividend of Rs. 4.40 per Equity Shares of face value of Rs.100/- each on total 75,00,000 Equity shares  | 1  | 4.40   | 3,30,00,000/-   |
| <b>2016-17</b> | Interim Dividend of Rs. 6 per Equity Share of Face Value of Rs. 100 each on 75,00,000 Equity Shares and Final dividend of Rs. 3 per Equity Share of Face Value of Rs. 100 each on 4,91,49,006 Equity Shares. Dividend of Rs. 8.20 per preference share of face value of Rs. 100 each on | Equity Shares – 2<br><br>Preference Shares - 1 | Interim Equity Dividend – 6 %<br><br>Final Equity Dividend<br><br>3 %<br><br>Final Preference Dividend – 8.20% | Interim Equity Dividend – 4,50,00,000/-<br><br>Final Equity Dividend – 14,74,47,018/-<br><br>Final Preference Dividend – 18,45,00,000/- |

|                |   |          |               |                |
|----------------|---|----------|---------------|----------------|
|                | 2,25,00,000<br>preference shares.   |          |               |                |
| <b>2017-18</b> | Interim Dividend of<br>Rs. 7.18/- per<br>Equity Shares of<br>face value of<br>Rs.100/- each | <b>2</b> | <b>7.18 %</b> | Rs.38.68 crore |

**Interest Coverage Ratio:**

| <b>Particulars</b>                   | <b>2017-18</b> | <b>2016-17</b> | <b>2015-16</b> |
|--------------------------------------|----------------|----------------|----------------|
| <b>Interest Coverage Ratio (A/B)</b> | <b>1.33</b>    | <b>1.32</b>    | <b>38.94</b>   |

**d) A summary of the financial position of TMFL as in the three audited balance sheets immediately preceding the date of circulation of offer letter:**

| Particulars   | Mar'18          | Mar'17          | Mar'16          |
|---|-----------------|-----------------|-----------------|
|   | Amount In Lakhs | Amount In Lakhs | Amount In Lakhs |
| Net worth   | 372,858.67      | 306,496.59      | 19,760.70       |
| Total Debt of which :                                     |                 |                 |                 |
| -Non Current Maturities of Long Term Borrowing            | 847,571.95      | 837,516.34      | -               |
| - Short Term Borrowing                                    | 780,638.64      | 398,378.69      | -               |
| - Current Maturities of Long Term Borrowing               | 252,014.03      | 55,000.00       | -               |
| Net Fixed Assets  | 130,276.17      | 127,859.51      | 446.81          |
| Non-Current Assets (including Investment, DTA and others) | 1,395,975.93    | 985,477.90      | 14,950.60       |
| Cash and Cash Equivalents                                 | 73,077.73       | 71,545.50       | 40.19           |
| Current Investments                                       | 3,954.94        | 12,559.16       | 4,669.43        |
| Current Assets  | 780,948.51      | 669,752.58      | 409.11          |
| Current Liabilities                                       | 1,127,861.25    | 250,233.98      | 520.44          |
| Assets Under Management                                   | 2,121,446.02    | 1,867,194.65    | 20,516.14       |
| Off Balance Sheet Assets                                  |                 |                 |                 |
| Interest Income   | 232,248.16      | 37,524.49       | 0.34            |
| Interest Expense  | 107,318.79      | 17,550.43       | 0.32            |
| Provisioning & Write-offs                                 | 27,850.29       | 4,716.53        | (2.68)          |
| PAT   | 32,758.13       | 4,392.33        | 1,101.95        |
| Gross NPA (%)   | 4.69%           | 9.84%           | 21.15%          |
| Net NPA (%)   | 3.28%           | 7.19%           | 0.00%           |
| Tier I Capital Adequacy Ratio (%)                         | 11.64%          | 10.45%          | 96.11%          |
| Tier II Capital Adequacy Ratio (%)                        | 4.75%           | 7.04%           | 0.01%           |

**TATA MOTORS FINANCE LIMITED**  
**Balance Sheet (Rs. In Lakhs)**

| Particulars   | (Rs. in Lakhs)       |                      |                      |
|---|----------------------|----------------------|----------------------|
|   | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
| <b>I. EQUITY AND LIABILITIES</b>                      |                      |                      |                      |
| <b>(1) Shareholders' Funds</b>                        |                      |                      |                      |
| (a) Share Capital                                     | 913,73.42            | 716,49.01            | 75,00.00             |
| (b) Reserves and Surplus                              | 2814,85.26           | 2348,47.58           | 122,60.70            |
|   | <b>3728,58.68</b>    | <b>3064,96.59</b>    | <b>197,60.70</b>     |
| <b>(1A) Share Application money pending allotment</b> |                      |                      |                      |
| <b>(2) Non-Current Liabilities</b>                    |                      |                      |                      |
| (a) Long-term borrowings                              | 8475,71.95           | 8375,16.34           | -                    |
| (b) Other Long term liabilities                       | 123,87.42            | 38,80.97             | 2,35.00              |
| (c) Long term provisions                              | 235,53.99            | 3,2048.79            | -                    |
|   | <b>8835,13.36</b>    | <b>8734,46.10</b>    | <b>2,35.00</b>       |

|                                   |                    |                    |                  |
|-----------------------------------|--------------------|--------------------|------------------|
| <b>(3) Current Liabilities</b>    |                    |                    |                  |
| (a) Short-term borrowings         | 7806,38.64         | 3983,78.69         | -                |
| (b) Trade payables                | 125,38.83          | 15922.21           | ,22.09           |
| (c) Other Current liabilities     | 3061,91.91         | 286845.48          | ,22.16           |
| (d) Short-term provisions         | 284,91.87          | 337,21.63          | 4,76.19          |
|                                   | <b>11278,61.25</b> | <b>7348,68.01</b>  | <b>5,20.44</b>   |
| <b>Total</b>                      | <b>23842,33.29</b> | <b>1914810.71</b>  | <b>205,16.14</b> |
|                                   |                    |                    |                  |
| <b>II. ASSETS</b>                 |                    |                    |                  |
| <b>(1) Non-current assets</b>     |                    |                    |                  |
| (a) Fixed assets                  |                    |                    |                  |
| (i) Tangible assets               | 43,37.90           | 23,33.88           | 4,46.81          |
| (ii) Intangible assets            | 1258,86.97         | 1255,25.64         | -                |
| (iii) Capital work-in-progress    | 51.30              | -                  | -                |
| (b) Non-current investments       | 134,24.92          | 132,60.91          | 146,71.04        |
| (c) Deferred tax assets (net)     | 44,49.36           | -                  | ,35.87           |
| (d) Finance Receivables           | 13526,55.79        | 9771,36.50         | -                |
| (e) Long term loans and advances  | 98,15.09           | 2046,24            | 2,43.69          |
| (f) Other Non current assets      | 156,30.78          | 9394.96            | -                |
|                                   | <b>15262,52.11</b> | <b>11296,98.13</b> | <b>153,97.41</b> |
| <b>(2) Current assets</b>         |                    |                    |                  |
| (a) Current investments           | 39,54.94           | 125,59.16          | 46,69.43         |
| (b) Trade receivables             | 23,66.50           | 10,19.88           | -                |
| (c) Cash and bank balances        | 730,77.73          | 715,45.50          | ,40.19           |
| (d) Finance Receivables           | 7687,90.23         | 6875,65.70         | ,0.00            |
| (e) Short term loans and advances | 24,53.84           | 75,95.60           | 4,04.42          |
| (f) Other current Assets          | 73,37.94           | 48,26.74           | ,4.69            |
|                                   | <b>8579,81.18</b>  | <b>7851,12.58</b>  | <b>51,18.73</b>  |
| <b>Total</b>                      | <b>23842,33.29</b> | <b>19148,10.71</b> | <b>205,16.14</b> |

**TATA MOTORS FINANCE LIMITED**  
**Statement of Profit and Loss (Rs. In Lakhs)**

| <b>Particulars</b>          | <b>2017 – 2018</b> | <b>2016 – 2017</b> | <b>2015 - 2016</b> |
|-----------------------------|--------------------|--------------------|--------------------|
| I. Revenue from operations  | 232,248.16         | 37,598.14          | ,0.34              |
| II. Other income            | 7,098.29           | 3,621.48           | 14,72.68           |
|                             |                    |                    |                    |
| III. Total Revenue (I + II) | <b>239,346.45</b>  | <b>41,219.62</b>   | <b>14,73.02</b>    |
|                             |                    |                    |                    |
| IV. Expenses:               |                    |                    |                    |
| Employee benefits expenses  | 24,618.91          | 3,874.02           | -                  |
| Finance cost                | 107,318.79         | 17,550.41          | ,0.32              |

|   |                   |                  |                 |
|---|-------------------|------------------|-----------------|
| Depreciation and Amortization expense                                 | 1,254.78          | 243.74           | ,37.65          |
| Other expenses  | 70,400.58         | 13,906.94        | 2,21.03         |
| Total expenses  | <b>203,593.06</b> | <b>35,575.11</b> | <b>2,59.00</b>  |
|   |                   |                  |                 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | <b>35,753.39</b>  | <b>5,644.51</b>  | <b>12,14.02</b> |
|   |                   |                  |                 |
| VI. Exceptional items   | -                 | -                | -               |
|   |                   |                  |                 |
| VII. Profit before extraordinary items and tax (V - VI)               | <b>35,753.39</b>  | <b>5,644.51</b>  | <b>12,14.02</b> |
|   |                   |                  |                 |
| VIII. Extraordinary Items   | -                 | -                | -               |
|   |                   |                  |                 |
| IX. Profit before tax from continuing operations (VII- VIII)          | <b>35,753.39</b>  | <b>5,644.51</b>  | <b>12,14.02</b> |
|   |                   |                  |                 |
| X. Tax expense:   |                   |                  |                 |
| (1) Current tax   | 2,995.25          | 1,253.56         | 1,12.07         |
| Less : MAT credit availed   |                   |                  |                 |
| (2) Short provision for tax relating to prior years                   |                   |                  |                 |
| (3) Net current tax expense   |                   |                  |                 |
| (4) Deferred tax  |                   |                  |                 |
|   |                   |                  |                 |
| XI. Net Profit for the year from continuing operations (IX - X)       | <b>32,758.14</b>  | <b>4,390.95</b>  | <b>11,01.95</b> |
|   |                   |                  |                 |
| XII. Earnings per equity share (of Rs. 10/- each)                     |                   |                  |                 |
| Basic (in Rs.)  | 60.86             | 28.42            | 14.69           |
| Diluted (in Rs.)  | 56.51             | 28.42            | 14.69           |

**e) Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter:**

| No.       | Particulars                                 | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|-----------|---|-----------------------------------|-----------------------------------|
| <b>A.</b> | <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |                                   |                                   |
|           | Net Profit before tax                       | <b>357,53.39</b>                  | <b>56,44.51</b>                   |
|           | Adjustments for:                            |                                   |                                   |
|           | Interest income                             | (2112,97.07)                      | (338,72.70)                       |

|  |                     |                   |
|--|---------------------|-------------------|
| Interest income on long-term trade investments, bank deposits, etc.            | (34,59.95)          | (6,76.73)         |
| Dividend from long term investments  | (4,05.80)           | (4,85.48)         |
| Discounting charges on commercial paper  | 304,91.79           | 37,37.35          |
| Depreciation and amortisation expense  | 12,54.78            | 243.74            |
| Net gains on sale/ redemption of Investments                                   | (8,96.05)           | (2,166.11)        |
| Share issue expenses   | -                   | -                 |
| Interest expense and other borrowing costs                                     | 768,27.00           | 138,13.08         |
| Loss on sale of fixed assets (net)   | 1,30.70             | ,0.16             |
| Provision for diminution in the value of long-term Investment                  | (313.54)            | 292.04            |
| Provision for employee benefit schemes   | (71.71)             | (10.69)           |
| Provision for Indirect tax   | 6.67                | ,6.65             |
| Provision for doubtful finance receivables and finance receivables written off | 303,23.81           | 4,895.10          |
| Provisions on standard assets  | 20,45.00            | 258.80            |
| Provision for doubtful loans and advances                                      | 12,37.76            | ,11.89            |
| <b>Operating cash flows before working capital changes</b>                     | <b>(383,73.22)</b>  | <b>(8,308.39)</b> |
| <b>Movements in working capital:</b>   |                     |                   |
| Other assets   | (57,90.28)          | 48,320.91         |
| Short-term advances  | 39,04.00            | (23,75.92)        |
| Finance receivables  | (5022,76.64)        | (577,30.05)       |
| Long-term advances   | (1,91.14)           | (2,25.64)         |
| Trade receivables  | (13,46.62)          | 21,06.91          |
| Trade payables   | (33,83.38)          | 50,79.13          |
| Other current liabilities  | 161,56.57           | 1,654.71          |
| Senior Pass Through Certificates - Assignment Receivables                      | -                   | -                 |
| Other long-term liabilities  | 85,06.45            | (4,35.73)         |
| Margin Money/ Cash Collateral with banks                                       | (72,32.21)          | -                 |
|  | <b>(4916,53.25)</b> | <b>(3,605.68)</b> |
| Current taxes paid (net)   | (44,20.44)          | (440.50)          |
| Discounting charges/premium on commercial papers and zero coupon bonds paid    | (533,98.17)         | (68,59.40)        |
|  |                     |                   |
| Interest expense   | (808,42.80)         | (131,80.98)       |
| Interest income  | 2100,43.82          | 334,13.83         |

|           |  |                     |                     |
|-----------|--|---------------------|---------------------|
|           | <b>Net cash (used in) / from operating activities</b>                              | <b>(4586,44.06)</b> | <b>10,18.88</b>     |
| <b>B.</b> | <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                     |                     |
|           | Purchase of fixed assets (including capital work-in-progress and capital advances) | (43,34.46)          | (1,17.30)           |
|           | Proceeds from sale of fixed assets   | 34.79               | 3.71                |
|           | Investment in Senior Pass Through Certificates                                     | -                   | -                   |
|           | Realisation from short-term senior pass through certificates                       | (9,86.45)           | 6,02.82             |
|           | Realisation from long-term investments   | 3,76.40             | -                   |
|           | Purchase of long-term investments  | -                   | (24.15)             |
|           | Purchase of current investments  | (8956,05.00)        | (6488,33.71)        |
|           | Proceeds from sale/redemption of current investments                               | 9060,01.13          | 644,493.63          |
|           | Proceeds from sale/redemption of long-term investments                             | -                   | 50,61.33            |
|           | Consideration paid for acquisition of business                                     | -                   | (275,200.00)        |
|           | Redemption of trade investments  | -                   | -                   |
|           | Purchase of trade investments  | -                   | -                   |
|           | Dividend from long-term investments  | 4,05.80             | 485.48              |
|           | Interest income on long term trade investments, bank deposits, etc.                | 34,38.11            | 4,299.53            |
|           | Investment in bank deposits (having original maturity of more than 3 months)       | -                   | -                   |
|           | <b>Net cash flows from investing activity</b>                                      | <b>9,330.31</b>     | <b>(269,228.66)</b> |
| <b>C.</b> | <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                     |                     |
|           | Share / NCDs issue expenses  | (89.60)             | (512.64)            |
|           | Issue of share capital (including securities premium thereon)                      | 60,000.00           | 2857,00.03          |
|           | Increase in cash credit (net)  | 174,84.96           | 1311,74.06          |
|           | Proceeds from short-term borrowings less than 3 months                             | 19175,31.17         | -                   |
|           | Repayment of short-term borrowings less than 3 months                              | (15842,03.45)       | (681,45.20)         |
|           | Proceeds from short-term borrowings 3 months and above                             | 5191,67.88          | 195,46.94           |
|           | Repayment of short-term borrowings 3 months and above                              | (4870,28.20)        | (431,71.85)         |
|           | Proceeds from long-term borrowings   | 3055,00.00          | 550,00.00           |
|           | Repayment of long-term borrowings  | (2930,37.14)        | (996,20.00)         |
|           | Dividend paid (including corporate dividend tax)                                   | (86,50.80)          | (9,38.80)           |
|           | <b>Net cash flows / (used in) financing activities</b>                             | <b>4466,74.82</b>   | <b>2790,32.54</b>   |

|  |  |                   |                  |
|--|--|-------------------|------------------|
|  | <b>Net decrease in cash and cash equivalents</b> | <b>(26,38.92)</b> | <b>10,822.74</b> |
|--|--|-------------------|------------------|

| <b>No.</b> | <b>Particulars</b>   | <b>For the year ended March 31, 2018</b> | <b>For the year ended March 31, 2017</b> |
|------------|--|--|--|
|            | <b>Cash and cash equivalents as at the beginning of the year</b>       | <b>21,545.50</b>                         | <b>40.19</b>                             |
|            | Cash and cash equivalents included on business acquisition             | -  | 106,82.57                                |
|            | <b>Cash and cash equivalents as at the end of the year</b>             | <b>189,06.58</b>                         | <b>21,545.50</b>                         |
|            | Cash on hand   | 2,334.47                                 | -  |
|            | Cheques / drafts on hand   | 1,990.38                                 | -  |
|            | Stamp papers, postal stamps, etc.                                      | -  | -  |
|            | Current accounts with banks  | 14,581.73                                | -  |
|            | Deposits with banks (having original maturity of three months or less) | -  | -  |
|            |  | <b>18,906.58</b>                         | <b>-</b>                                 |
|            | <b>Net decrease in cash and cash equivalents</b>                       | <b>(26,38.92)</b>                        | <b>10,822.74</b>                         |

**Cash Flow Statement for the year ended March 31, 2017**

| Particulars  | (Rs. in Lakhs)                    |                                   |
|--|-----------------------------------|-----------------------------------|
|  | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| <b>A. CASH FLOW FROM OPERATING ACTIVITY</b>  |                                   |                                   |
| <b>Net Profit before tax for the year</b>  | <b>56,44.51</b>                   | <b>12,14.02</b>                   |
| <b>Adjustments for:</b>  |                                   |                                   |
| Interest income  | (338,72.70)                       | -                                 |
| Interest income on long-term trade investments, bank deposits, etc.                | (6,76.73)                         | -                                 |
| Dividend from long term investments  | (4,85.48)                         | -                                 |
| Discounting charges on Commercial Paper  | 37,37.35                          | -                                 |
| Depreciation and amortisation expense  | 2,43.74                           | 37.65                             |
| Net gains on sale/ redemption of Investments                                       | (21,66.11)                        | (4,39.64)                         |
| Interest expense and other borrowing costs   | 138,13.08                         | -                                 |
| (Profit)/Loss on sale of fixed assets (net)  | 0.16                              | -                                 |
| Provision for diminution in the value of Investment                                | 2,92.04                           | 150.00                            |
| Provision for employee benefit schemes   | (10.69)                           | -                                 |
| Provision for Indirect tax   | 6.65                              | -                                 |
| Provision for doubtful finance receivables and finance receivables written off     | 48,95.10                          | (2.67)                            |
| Provisions on standard assets  | 2,58.80                           | (3.95)                            |
| Provision for doubtful loans and advances  | 11.89                             | -                                 |
| <b>Operating cash flow before working capital changes and discounting charges</b>  | <b>(83,08.39)</b>                 | <b>9,55.41</b>                    |
| <b>Movements in working capital:</b>   |                                   |                                   |
| Other assets   | 483,20.91                         | 16,56.97                          |
| Short term advances  | (23,75.92)                        | -                                 |
| Finance receivables  | (577,30.05)                       | -                                 |
| Long term advances   | (2,25.64)                         | -                                 |
| Trade receivables  | 21,06.91                          | -                                 |
| Trade payables   | 50,79.13                          | -                                 |
| Other current liabilities  | 16,54.71                          | 10.47                             |
| Other Long term liabilities  | (4,35.73)                         | -                                 |
|  | <b>(36,05.68)</b>                 | <b>16,67.43</b>                   |
| Current taxes paid (net)   | (4,40.50)                         | (90.20)                           |
| Discounting charges/premium on commercial papers and zero coupon bonds paid        | (68,59.40)                        | -                                 |
| Interest expense   | (131,80.98)                       | -                                 |
| Interest income  | 334,13.83                         | -                                 |
| <b>Net Cash from operating activities</b>  | <b>10,18.88</b>                   | <b>25,32.64</b>                   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITY</b>  |                                   |                                   |
| Purchase of fixed assets (including capital work-in-progress and capital advances) | (1,17.30)                         | -                                 |
| Proceeds from sale of fixed assets   | 3.71                              | -                                 |
| Realisation from long term Senior Pass Through Certificates                        | 6,02.82                           | -                                 |
| Purchase of long-term investments  | (24.15)                           | (12,55.11)                        |
| Purchase of current investments  | (6488,33.71)                      | -                                 |
| Proceeds from sale/redemption of current investments                               | 6444,93.63                        | (12,57.85)                        |
| Consideration paid for acquisition of business (Refer note 35)                     | (2752,00.00)                      | -                                 |
| Proceeds from sale/redemption of long-term investments                             | 50,61.33                          | -                                 |
| Redemption of Non-Cumulative redeemable Preference shares                          | -                                 | 10.00                             |
| Dividend from long-term investments  | 4,85.48                           | -                                 |
| Interest income on long term trade investments, bank deposits, etc.                | 42,99.53                          | -                                 |
| <b>Net cash flow used in investing activity</b>                                    | <b>(269,228.66)</b>               | <b>(25,02.96)</b>                 |

Note: The detailed financials of the company will be provided to the investors as and when required.

**(f) Any change in accounting policies during the last three years and their effect on the profits and the reserves of TMFL**

FY 2015-16 – NIL

FY 2016-17 – NIL  
FY 2017-18 - NIL

5. The directors of TMFL hereby declare that-

- a. TMFL has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- b. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

We are authorized by the Board of Directors of TMFL vide resolution dated May 2, 2018 to sign this form and declare that all the requirements of the Companies Act, 2013 and the Rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

**For Tata Motors Finance Limited**



**Authorized Signatories**

**Date: July 23, 2018**

